Daily Report

Latin America

FBIS-LAT-95-205
Tuesday
24 October 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-95-205 *24 October 1995*

CONTENTS

INTERNATIONAL AFFAIRS

Russia's Yeltsin Proposes 3d World Peace Conference *[PRENSA LATINA]* 1
Saudi Foreign Minister Addresses NAM Conference *[Riyadh SPA]* 1
Ecuador's Leoro Seeks NAM 'Readjustment' *[Madrid EFE]* 2
Correction to Castro on Christ 2

CARIBBEAN

Cuba

Reportage on Castro's New York Visit, UN Participation 3
Report on U.S., Cuban Presidents' Speeches *[PRENSA LATINA]* 3
PRENSA LATINA on Visit to Harlem 3
Meeting With Puerto Rican Businessmen *[PRENSA LATINA]* 4
Networks Broadcast CBS Interview *[Havana TV]* 5
Castro Not To Accept Conditions *[Madrid EFE]* 6
Representative to UN Criticizes Peacekeeping Efforts *[PRENSA LATINA]* 7
Cuban Change President Sends Letter to Carter *[PRENSA LATINA]* 7
Vietnamese Minister Views NAM, Ties With U.S., Cuba *[Havana TV]* 8
Ukrainian Minister Ends Visit; Raul Castro on Naval Base *[Havana Radio]* 9
Ranking Officials Greet South African Foreign Minister *[Havana TV]* 9
Diplomatic Relations Established With Kenya *[PRENSA LATINA]* 10
Foreign Investment Minister Meets With Canadian Businessmen *[PRENSA LATINA]* 10
Government Implements New Trade Verification Measures *[Havana Radio]* 10
Government Calls For Discipline, Order, Efficiency *[PRENSA LATINA]* 11
Minister on Protection of Social Property, Self-Employed *[Havana Radio]* 11
Agriculture Minister Comments on Mountain Fronts *[Havana Radio]* 12
Notes 'Positive Signs' in Agriculture *[Havana Radio]* 12
PCC Secretary: Self-Employment Does Not Solve Problems *[PRENSA LATINA]* 12
Politburo Members Discuss Sugar, Agriculture With Officials *[Havana TV]* 13
Roundup of Sugarcane Developments Through 22 Oct *[Havana Radio, etc.]* 13
Roundup of Politburo Members' Activities Through 20 Oct *[PRENSA LATINA, etc.]* 14

Haiti

Werleigh Said Designated New Prime Minister *[Port-au-Prince Radio]* 14
President Chooses Werleigh *[Port-au-Prince Radio]* 14
Background of Prime Minister Designate *[Port-au-Prince Radio]* 15

MEXICO

Foreign Relations Secretariat Rejects Helms-Burton Bill *[LA JORNADA 20 Oct]* 16
Country Records S1.083 Billion Trade Surplus With U.S. *[EL FINANCIERO (ANALYSIS Supplement) 19 Oct]* 16
Report Notes Incidents After Chiapas Elections *[LA JORNADA 19 Oct]* 16
Alliance Reports Abstention Rate High in Chiapas Election *[LA JORNADA 17 Oct]* 18
PRI Ahead in Election Results of 29 Municipalities *[LA JORNADA 17 Oct]* 19
Coparmex President: State Reforms 'Urgently Needed' *[Mexico City Radio]* 19
Workers Confederation Proposes Reforms of Economic Pact *[EL FINANCIERO 17 Oct]* 20

Court Sentences Ruiz Massieu Murder Accomplices *[Mexico City TV]* 20
Secretariat Publishes Measures for Capital Repatriation *[Mexico City TV]* 21
Nation Signs Declaration Urging UN Reform *[NOTIMEX]* 21
Roundup of Economic Developments Through 23 Oct *[LA JORNADA 17 Oct]* 22
Zedillo Commitment to Democracy Questioned *[LA JORNADA 18 Oct]* 25
Possible Ortiz Arana 'Emergency' Role Seen *[REFORMA 18 Oct]* 26
Camacho Departure From PRI Analyzed *[REFORMA 16 Oct]* 28

CENTRAL AMERICA

El Salvador

Finance Minister Rules Out Recession, Admits Slowdown *[LA PRENSA GRAFICA 18 Oct]* .. 30
Poll: People's Main Concerns Unemployment, Cost of Living *[EL DIARIO DE HOY 18 Oct]* 31
Cuban Vice Minister Views Bilateral Trade *[LA PRENSA GRAFICA 18 Oct]* 32
Calderon Sol Discusses Bariloche Summit *[San Salvador Radio]* 33

Honduras

Ministry: 3 Salvadorans 'Murdered' in Ex-Disputed Area *[TIEMPO 21 Oct]* 34

Nicaragua

President Chamorro Suspends Trip to United Nations *[EL NUEVO DIARIO 21 Oct]* 35
National Assembly Elects New Vice President *[Managua Radio]* 35

Panama

Finance Minister Says Economy Needs Structural Adjustment *[LA ESTRELLA DE PANAMA 18 Oct]* 36
Agreement on U.S. Military Base Presence Discussed 36
Newspapers on Permanence of U.S. Bases *[EL PANAMA AMERICA 20 Oct, etc.]* 36
Program on 'Explorative Talks' *[Panama City TV]* 37
Poll: People Prefer U.S. Presence *[EL PANAMA AMERICA 18 Oct]* 39
U.S. Politicians Should 'Get Smart' *[LA PRENSA 18 Oct]* 40

SOUTH AMERICA

Argentina

Reaction to Shooting, Wounding of Iranian Diplomat 42
Islamic Official on Incident *[NOTICIAS ARGENTINAS]* 42
Envoy: 'Zionists' Possibly Involved *[TELAM]* 42
Kahane Hay Member 'Authorized' *[Tehran Radio]* 42
Jewish Official Denies Zionist Role *[Madrid EFE]* 42
Menem Meets Rabin on Incident *[NOTICIAS ARGENTINAS]* 43
Government: 'Too Soon' for Opinion *[NOTICIAS ARGENTINAS]* 43
Foreign Minister on Investigation *[TELAM]* 44
Interior Minister on Incident *[TELAM]* 44
Interior Minister on Hypotheses *[TELAM]* 45
Envoy 'Positive' Jews Not Involved *[TELAM]* 45
Argentine-Arab Group Repudiates Attack *[NOTICIAS ARGENTINAS]* 46
Reportage on Major-Menem Meeting in New York 46
Menem: Meeting 'Excellent' *[NOTICIAS ARGENTINAS]* 46
Menem on UK Embargo Policy *[TELAM]* 47
Major Invites Menem To London *[NOTICIAS ARGENTINAS]* 47

Invitation Reflects 'New Atmosphere' *[TELAM]* 47
UK Official on Significance of Meeting *[TELAM]* 48
Defense Minister Receives British Military Mission *[NOTICIAS ARGENTINAS]* 49
Menem Meets Chirac, Other Leaders at United Nations *[NOTICIAS ARGENTINAS]* 49
Foreign Minister Urges 'Reasonable' Policies on Cuba *[TELAM]* 50
Fifth Ibero-American Summit Results Said 'Satisfactory' *[LA NACION 19 Oct]* 50
Foreign Minister Discusses Cuba, Embargo Policies *[AMBITO FINANCIERO 20 Oct]* 51

Brazil

Cardoso: 'Concept of Demands Must End' *[AGENCIA ESTADO]* 53
Cardoso: EU, Mercosur Hope To Sign Accord in Dec *[AGENCIA ESTADO]* 53
Spanish Prime Minister Meets Opposition Leaders *[Madrid EFE]* 53
Gonzalez Supports 'Intensified' European Presence *[Madrid EFE]* 54
Reportage on Cardoso Activities in U.S. 54
Addresses UN Session *[AGENCIA ESTADO]* 54
'Subtly' Asks Clinton for Support *[AGENCIA ESTADO]* 55
Meets With Yeltsin, Other Leaders *[AGENCIA ESTADO]* 56
'Shocked' at Desired Pace *[AGENCIA ESTADO]* 56
Sen. Magalhaes Says PFL To Back Administrative Reform *[AGENCIA ESTADO]* 57
Planning Minister Assesses Economy *[O ESTADO DE SAO PAULO 15 Oct]* 57
Roundup of Economic Reports Through 20 Oct *[AGENCIA ESTADO, etc.]* 60
Lampreia Discusses UN Security Council Bid *[AGENCIA ESTADO]* 63
Government Agrees To Observe Palestinian Election *[O GLOBO 19 Oct]* 64
Federal Deputy Amaral Netto Dies *[O ESTADO DE SAO PAULO 18 Oct]* 65

Chile

Frei Says No Negotiations 'Without a Fast Track' *[Madrid EFE]* 65
Legislators Seek Annulment of Laguna del Desierto Ruling *[EL MERCURIO 20 Oct]* 65
Insulza on Loss of Area: 'Historical Process' *[EL MERCURIO 19 Oct]* 66
Visiting EU Official on Dialogue With Cuba *[Madrid EFE]* 67
Pinochet, Frei Decide on Gen. Contreras' Transfer to Prison *[Santiago TV]* 67
Contreras Reportedly 'Consented' *[NOTICIAS ARGENTINAS]* 68

Colombia

Clinton Measures To Combat Drug Trafficking Viewed 68
Samper Terms Measures 'Reasonable' *[Santa Fe de Bogota Radio]* 68
'Best News' for Government *[Santa Fe de Bogota TV]* 68
Valdivieso 'Happy' With U.S. Attitude *[Santa Fe de Bogota TV]* 69
Internal Disturbance Decree, Struggle Against Crime Viewed 69
Conservative Party Leader Comments *[Santa Fe de Bogota Radio]* 69
Valdivieso: Measures 'Successful' *[Santa Fe de Bogota TV]* 70
Lifting Decree Triggers Measures *[Santa Fe de Bogota TV]* 70
Envoy Warns Against U.S. Action on Banana Dispute *[EL TIEMPO 18 Oct]* 71
Government Initiates Relations With Several Countries *[Santa Fe de Bogota TV]* 72
Constitutional Court President Denies Confrontation *[Santa Fe de Bogota TV]* 72
General Bedoya Discusses Current Issues *[CAMBIO 16 COLOMBIA 9 Oct]* 72
Telephone Tapping Practices Discussed *[EL TIEMPO 8 Oct]* 76

Ecuador

Galo Leoro Addresses United Nations, Comments on Dispute *[Quito Radio]* 79
Poll: Majority Believe Administration Helps Dahik *[Quito Radio]* 80

Administration Confirms Plebiscite To Be Held 26 Nov *[Quito Radio]* 80
Oil Workers Start Nationwide Strike *[Quito Radio]* 80

Peru

Fujimori 'Will Not Allow' SL Leader Guzman Retrial *[Lima TV]* 80
Daily Comments on Declaration Issued in Brasilia *[EL COMERCIO 8 Oct]* 81
Editorial Views Li Peng's Visit, Bilateral Trade *[LA REPUBLICA 11 Oct]* 82

Uruguay

Vice President Addresses UN Anniversary Session *[TELAM]* 83
Cuba Agrees To Repay $37 Million Debt *[LA MANANA 16 Oct]* 83
Leftist Leader's Concerns on 'Injustices' in Cuba Noted *[EL OBSERVADOR 16 Oct]* 84

Venezuela

President on UN Role, 'Heavy Burden' of Foreign Debt *[Caracas TV]* 84

Russia's Yeltsin Proposes 3d World Peace Conference

PA2210231695 Havana PRENSA LATINA in Spanish 1957 GMT 22 Oct 95

[FBIS Translated Text] United Nations, 22 Oct (PL) — The presidents from Cuba and Russia, Fidel Castro and Boris Yeltsin, held today a lively chat during the recess at the end of the morning's session of the special UN centennial commemorative meeting.

The internal television network covered the moment when both leaders exchanged views for a few minutes after an embrace and a long handshake.

This took place in the delegates' North Room while awaiting to be seated at the tables for the luncheon given by Secretary General Butrus Butrus-Ghali.

Yeltsin delivered a speech during the session denouncing the trend toward world positions of hegemony, without mentioning names.

He said that there is an increasingly dangerous trend to reduce the organization's role, to act outside the Charter and the collective will of the Security Council.

He considered the United Nations capable of taking on all the tasks required in today's world and its success will depend on the work by member states.

Russia is worried over the recent situation it was involved in at the Security Council in the case of Bosnia and Herzegovina when there was a clear violation of UN principles, Yeltsin underscored.

It is inadmissible, he said, that NATO, casting aside the Security Council, decided to use massive force.

He said that Russia has contributed plenty toward peace in this conflict and is willing to support the operation to reach a solution with the participation of multinational forces, including Russian, but only under a clear Security Council mandate.

Regarding UN renewal, he said that his country favors broadening the Security Council, but only to reinforce its responsibility and taking into account the interests of the various areas of the world.

He proposed holding a third World Peace Conference in 1999. The first was held in Moscow in 1899. This third conference would be dedicated to drafting the principles for settling the conflicts that have emerged since the end of the Cold War.

Saudi Foreign Minister Addresses NAM Conference

LD2310175895 Riyadh SPA in English 1243 GMT 23 Oct 95

[FBIS Transcribed Text] Cartagena, Colombia, Oct 23, SPA — Saudi Foreign Minister Prince Sa'ud al-Faysal has affirmed that the Nonaligned Movement endeavoured to uphold the values of justice and equality and is calling for discarding violence as a means of resolving differences.

In a speech, on behalf of the Kingdom, at the Nonaligned Movement conference which was held here from October 14 to 20, Prince Sa'ud said the emergence of a new world order based on new developments had not undermined the importance of the Nonaligned Movement.

He pointed out that the world is still witnessing a series of important developments and changes which followed the end of the Cold War era and the dominance of the two major powers that moulded international relations after World War II.

He said such post-World War II circumstances had led to the creation of the Nonaligned Movement in response to the desire of the peoples to limit the consequences of the conflict between the two major powers.

"As we remember with pride the prominent role of this movement in the support of liberation movements around the world and the liquidation of imperialism to enable peoples to practice their right of self-determination and sovereignty over their national soil, we call on it today to continue to play this important part towards all peoples who become victims of oppression and aggression, similar to the plight of the sisterly state of Kuwait five years ago, and the current crisis of the Bosnian Republic, and the continued struggle of the Palestinian people to win their legitimate rights," Prince Sa'ud said.

He praised the collective stand of the international community in the face of the Iraqi aggression against Kuwait, confirming that it gave a rare example on that occasion which should be repeated each time the world community is faced with such flagrant challenge.

He added that the current sufferings of the Iraqi people is not due to the U.N. sanctions imposed on Iraq, but is caused by the Baghdad regime's rejection of full compliance with Security Council resolutions. He also called on the Iraqi government to fully implement Resolutions 706, 712, and 986 which are related to the humanitarian needs of the Iraqi people.

Prince Sa'ud said the Palestinian cause and the Arab-Israeli conflict in general have always been among

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the important issues in every NAM agenda. At the present time, he said the Middle East peace process has gone a long way towards finding a just, durable and comprehensive solution for this crucial dispute.

He said the Kingdom of Saudi Arabia supported the peace process from its very beginning, at the 1991 Madrid conference, and helped push forward bilateral talks between the Arab and Israeli sides, and participated in multi-lateral peace talks.

Prince Sa'ud said the two peace sponsors are expected to force the Israeli Government to honour its pledges after signing the second phase of the declaration of principles, which will lead to the re-deployment of Israeli troops and preparations for the first Palestinian elections as well as granting the Palestinian National Authority more self-rule powers.

He said the Saudi Government had been attaching a great deal of attention to efforts aiming at eliminating the danger of weapons of mass destruction from the Middle East, which includes the removal of chemical, biological and nuclear weapons of all kinds.

Prince Sa'ud stressed that Saudi Arabia has called repeatedly on Tehran to respond to the UAE call for peaceful negotiations to resolve the problem of the Iranian occupation of the islands of Greater and Lesser Tunbs and Abu Musa.

He also touched on such important issues as the Bosnian crisis, the political chaos and instability in Somalia, the ongoing inter-Afghan conflict, the dispute over Jammu and Kashmir, and the problem of Nagorno-Karabakh.

Ecuador's Leoro Seeks NAM 'Readjustment'

PY2310203595 Madrid EFE in Spanish 2044 GMT 18 Oct 95

[FBIS Translated Text] Quito, 18 Oct (EFE) — Coinciding with the opening of the Nonaligned Movement summit in Cartagena (Colombia), Ecuadoran Foreign Minister Galo Leoro today called for a readjustment of the organization so that this international movement may be useful to the development of its member countries.

During a telephone interview with Radio Quito, Leoro asserted that "the movement must be readjusted" because "it is no longer a truly positive force, in favor of something, it is now always against something."

He insisted on the need for a readjustment "so that by adapting to the world situation, we (the Nonaligned Movement) may serve the interests of developing countries."

In the Ecuadoran foreign minister's opinion, "there is no longer a reason for the movement to be nonaligned because there is no longer an east-west dispute which is what gave birth to this international organization."

Leoro is heading the Ecuadoran delegation on behalf of President Sixto Duran-Ballen at the Ninth Nonaligned Movement Summit, which opened in Cartagena today. Some 37 heads of state are attending this event.

Correction to Castro on Christ

PA1710141695

The following correction pertains to the item headlined "Castro: Christ 'First Communist'," published in the 17 October Latin America DAILY REPORT, page 5:

Column two, make sourceline read:...Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Oct 95...(correcting sourceline)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Reportage on Castro's New York Visit, UN Participation

Report on U.S., Cuban Presidents' Speeches

PA2310192395 Havana PRENSA LATINA in Spanish 1925 GMT 22 Oct 95

[Report by special reporter Susana Ugarte: "Cuba: An Attraction, United States: Uneventful"]

[FBIS Translated Text] United Nations, 22 Oct (PL) — President Fidel Castro's magnetism, and U.S. President William Clinton's uneventful speech were the keynotes today during the inauguration of the UN General Assembly commemorating its 50th anniversary.

The morning inaugural session undoubtedly had a singular touch due to the great expectation created by the Cuban leader, described by the local media as the "hot ticket" [previous two words in English] of the UN meeting.

From the moment he arrived at the General Assembly hall at 0907 local time (1307 GMT) the Cuban president obviously grasped the attention of those present. He was greeted by numerous leaders, including Argentine President Carlos Menem, who was among the most expressive. The television cameras were frequently on them.

Castro was also distinguished with a special photograph when pictures of the more than 140 statesmen attending the summit were taken. His message was "brief", highlighting the UN democratization, the privileges of the Security Council, nonintervention in the internal affairs of states, and their sovereign equality.

He also rejected the blockade policy describing it as a silent atomic bomb that kills men, women, children, youths, and elderly people.

Meanwhile, the U.S. President committed the first violation of the rules established for the speeches, which were limited to five minutes, as he spoke for almost 14 minutes. His speech was centered on topics such as terrorism, drug trafficking, and money laundering, which are U.S. priorities.

He proposed eliminating drug production and reducing the demand of great consumers, including the United States. He also spoke about maintaining peace with weapons and mentioned Bosnia as an example.

Protocol establishes a difficult situation for the U.S. President today at noon: He will have to have lunch with his Cuban counterpart Fidel Castro, at the invitation of UN Secretary General Butrus Butrus-Ghali.

This has created great expectation among all those linked to the 50th anniversary, who are wondering whether or not Clinton will be present at the event. It is a known fact that he has excluded the Cuban president from the dinner he will offer tonight, a gesture that UN circles have viewed as a discourtesy on occasion of the organization's 50th anniversary.

Nature has been favorable for the UN 50th anniversary celebration, which will continue until Tuesday 24 October. The sun is bright and the weather is nice, for the benefit of the 8,000 guards providing security at the conclave.

PRENSA LATINA on Visit to Harlem

PA2410003495 Havana PRENSA LATINA in Spanish 0932 GMT 23 Oct 95

[By Susana Ugarte]

[FBIS Translated Text] United Nations, 23 Oct (PL) — The New York community of Harlem reached a zenith with Cuban President Fidel Castro in a ceremony filled with cheers and ovations that overflowed the borders of that district and which caused reverberations nationwide.

Even today, television images are still being aired accompanied by loud drums, slogans of solidarity, and the messages exchanged by the Cuban leader and his hosts last night. These images are also being combined with announcements on new contacts with the great media and other sectors of the country.

The Cuban president, who is in New York to attend the celebration of the 50th UN anniversary, visited Harlem at the invitation of leading religious, political, and social organizations of African-American, Hispanic, and other minority groups. These groups welcomed Castro with constant displays of support for his country.

We greeted Fidel Castro, said Reverend Calvin Butts, pastor of the Abyssinian Baptist Church, headquarters of the meeting, because all revolutionaries, all those who defend the welfare of the peoples are welcome here.

With the phrase "Cuba, yes. Blockade, no," Butts, just as the more than 10 speakers representing the participating groups, demanded that the U.S. blockade on Cuba be lifted.

Hispanic Congressmen Jose Serrano and Charles Rangel, Civil Rights advocate Angela Davis, members of Pastors for Peace, including Lucius Walker, and other prominent New Yorkers attended this ceremony.

Meanwhile, voices could be heard inside and outside the temple cheering "Viva Fidel," keeping pace with the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

speech being given by the guest speaker. Fidel shared with his hosts memories of his stay in the city 35 years ago, when he attended the 19th session of the UN General Assembly.

Then, Harlem residents offered Fidel Castro shelter at the Theresa Hotel when they learned he was not welcomed at any other place in the city.

Things have not changed here, the Cuban statesman said, noting how he has also been the subject of exclusions this time as if the [word indistinct] still prevailed.

His meeting with friends of the black community caught a great deal of attention from the media, even though it coincided with the dinner U.S. President William Clinton held for the chiefs of state and government attending the summit commemorating the UN 50th anniversary.

The only delegation excluded from the list of Latin American guests was the delegation from the small Caribbean country, a point which constitutes another evidence indicating how distant the attitudes of that subcontinent and the rest of the world are.

This week, the Ibero-American Summit held in Bariloche, Argentina, and the Nonaligned Movement Summit held in Cartagena de Indias, Colombia, voiced their support for Cuba.

More than a dozen television stations, the spearheading domestic media, and foreign reporters went to Harlem following the Cuban president, who prompted hundreds of residents to post themselves at the central streets adjacent to the Baptist Church, which is believed to be one of the most influential New York churches due to its activities in the New York social scene.

An unmeasurable display of security also indicated the situation in the area, given the avalanche of people determined to see and greet him.

I have been here since early in the morning and have been unable to cross the street, Jose, a Dominican youth, complained, while Elena, a slender black woman, was protesting amid sobs because she was unable to see him.

The PL [PRENSA LATINA] interlocutor recounted how certain Cuban-American extreme rightists who tried a few minutes earlier to show their hostility toward their country of origin fled repelled by those who cheered Fidel Castro.

This is Harlem. They cannot stage their propagandistic demonstrations against Cuba here, Elena said firmly.

Meeting With Puerto Rican Businessmen

PA2410002795 Havana PRENSA LATINA in Spanish 2305 GMT 23 Oct 95

[By special correspondent Susana Ugarte]

[FBIS Translated Text] United Nations, 23 Oct (PL) — Puerto Rican businessmen are preparing to meet Cuban President Fidel Castro at the New York Bronx, thus ending today's agenda for Castro, who prior to this will receive Hispanic congressmen in the Cuban mission.

It was learned that the Puerto Rican hosts of the Cuban leader, who is in New York for the 50th anniversary celebration, prepared a poster to welcome the visitor which read: Puerto Rico and Cuba are the two wings of a bird, which is a verse of a poem by Lola Rodriguez Tio.

Among the congressmen who will engage in dialogue with Fidel Castro, are all those of Hispanic minority, except for two extreme right-wingers of Cuban origin, and Charles Rangel, Nydia Velazquez, and Jose Serrano, who sponsored the invitation to the Bronx.

The president of the Caribbean nation, who made the headlines of newspapers and newscasts, met in the morning with his Chinese counterpart Jiang Zemin, and 400 U.S. personalities, including businessmen and academicians in the seat of the Council of International Relations.

He also granted an interview to the NBC Television Network, and it is anticipated that he will also have other contacts with CBS Television.

The newspaper LA PRENSA, the most influential Spanish paper among North Americans, highlights in full color the contrast between the position of Cuba and the United States in its pronouncements at the meeting commemorating the 50th anniversary of the United Nations.

The paper published in full color on its front-page the figure of the Cuban leader, denouncing "the cruel blockade" and demanding respect for the principle of nonintervention." [quotation marks as received], while U.S. President William Clinton proposed an antiterrorist pact and an offensive against narcotrafficking.

THE NEW YORK TIMES published a lengthy report on the welcome given by the Harlem community to the Cuban president yesterday, an event which is still echoing among the principal news reports today, Tuesday.

Previously, Fidel Castro went to the CNN Television Network studios for a live interview which was aired to all U.S. territory and beyond its borders.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Among other topics, he addressed the current situation of Cuba, and expressed his willingness to engage in dialogue on any topic, even with the sectors that are most hostile to the island in the U.S. Congress. He explained the state of relations with the Catholic Church and other aspects of relations between Havana and Washington.

Networks Broadcast CBS Interview

PA2410050695 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 24 Oct 95

[Interview with President Fidel Castro by CBS anchorman Dan Rather in New York City on 23 October; from the "NTV" newscast — recorded; Rather's remarks in English with passage-by-passage translation into Spanish; Castro's remarks in Spanish fading into English translation]

[FBIS Translated Text] [Castro] [Words indistinct] I was excluded from the dinner, and then my friends in that area invited me. Actually, I felt it was a great honor that you invited me there. It was a great honor to me.

[Rather] Most of the audience there was made up of African-Americans.

[Castro] Yes, but there were Puerto Ricans, too. There were Cubans; there were Latin Americans there. There were people from.... [pauses] There were Asians. So I think there were only [words indistinct] we can [word indistinct] the world together. It called my attention that they were very militant indeed.

[Rather] You once told me a long time ago that you were surprised by the fact that African-Americans never [words indistinct] to Communism; you told me that a long time ago. Are you still kind of surprised they never went for Marxism-Leninism?

[Castro] I believe the North Americans [words indistinct] and their cultural levels were very low. After U.S. independence was declared, the independence of slavery was not declared. They [words indistinct] they were practically [words indistinct] by the slave in the old woman, even though the Roman slaves also staged an uprising, mainly the gladiators under the leadership of Spartacus. That is a famous story.

I believe African-Americans do not have the possibility and means to acquire the necessary knowledge to [words indistinct] toward Communism. I do not exactly remember the conversation and the context in which I made that remark, but I do believe you. In the last few decades, I would say, however, the African-Americans have acquired a considerable level of knowledge and have raised their cultural level, and I think they have a better understanding of the need for justice. There has been much abuse, much discrimination. Though there have been ups and downs, that situation prevails in a way. They have been striving, I think. What is Communism anyway? No one knows it exactly, but when a man feels exploited, he fights that exploitation; he is doing a revolutionary action. When a man feels discriminated against and humiliated, does he fight that situation? He is conducting a revolutionary action. As for the rest of the answer, we will have to study it better because of the different factors that have a bearing on this, different factors, religious factors.

I believe there has been a very strong sentiment among the African-Americans for justice, and they turn their religious feeling, their religious chanting into a revolutionary chanting. I have always felt a great sympathy for African-Americans. I believe I have [words indistinct] for the [words indistinct] the people who suffer, and [words indistinct] I believe more in them, when I have seen that they have been so friendly with us. I remember they welcomed me at the Theresa Hotel at a very unpleasant moment when I had been expelled from another hotel. There, I met Malcolm X, and they were always very friendly with me. I could say today that [words indistinct] deal with people who believe in Communism, but I promise you I am going [words indistinct], so that the next time we are able to talk about that subject. We [words indistinct] with more precision [words indistinct] what about the memory? Something that comes to prove people are still.... [pauses] that you can still believe in people.

[Rather] Thank you. Let me ask you about President Clinton. He did not invite you to the official functions in connection with the United Nations. Are you angry with him because of that?

[Castro] No, I am not angry. I understand that in the midst of the present situation and due to the beginning of the campaign, the unleashed passion to run in the election will not have allowed him to do that.

Many people have even questioned the fact that I have been allowed to come to the United States. In circumstances such as those, perhaps it would have been embarrassing for him to invite me; that is why I do not have any grudge about the fact that he did not invite me to those functions. We would not want to hurt him in any way. I did not have the honor of being there, and he lost the honor of.... [pauses] We both lost. I hope, however, we would both be pleased. I felt very much compensated. If I could go to Harlem and meet my own friends there, I can assure you that I have [words indistinct] banquet.

[Rather] As you know, Mr. President, there are many people around New York City who have a Cuban

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

heritage; they were demonstrating against you. They called and told me, quote, Fidel Castro is a killer, and you should have nothing to do with him, unquote. What would you say to these people?

[Castro] If they say I am a murderer, a killer, there is irrefutable evidence that they do not even know me. They do not even know what has been going on in Cuba. We have so many examples of good things.... [pauses] Perhaps [words indistinct] they would have been 1,300 men imprisoned. Of the 1,300 who went as mercenaries to the Bay of Pigs, none of them was murdered despite the fact, in the midst of the battle, none of them was beaten, humiliated, murdered. They were all returned. That is the way we have to [words indistinct] we respected our enemy. That is a fundamental fact in our history, and if we were not like that, we would not have the support of our people.

Our people would not tolerate torture, and that is the mentality of our people. Whoever goes to Cuba can ask any Cuba whether people there are killed or tortured. I think that is simply our way [words indistinct], but we respect our adversaries. Times change, however, and many of them have been changing, you know. Many of them have started to think differently, and they no longer feel the same way they did. As for the rest, I can assure you it is a way for them to offend us; it is a way for them to react against us. I have a clear conscience that I have never been and will never be like that, so that does not hurt me. Those confrontations do not hurt me. I am not like that.

[Rather] Communism clearly has failed as an economic system. Would you agree? It is a complete failure as an economic system.

[Castro] I do not believe in that assertion, because we have been living for 30-something years under a socialist system. We did not start by being a communist government. I could say the opposite: Capitalist governments are a failure, have been unable to solve problems. The best evidence is that there are 4.5 billion human beings starving in this world, and 1.3 billion live in poverty. There are millions of illiterate people, 1.3 billion people [words indistinct] the conditions to leave millions of unemployed. It is worse than the Third World. Capitalism created great wealth. Not even Karl Marx refused the ability of Capitalism to accumulate wealth and to develop the productive forces. Marx thought private properties would disappear after a universal development of productive force.

[Rather] So you do not believe Communism is a failure?

[Castro] No, I do not. I think Communism is the society of the future. You yourself have a bit of Communism here. You distribute wealth to elders, provide unemployment benefits, provide protection to the needy, help retired people. You have a relatively high social spending, so that you try not to have people living below the poverty line. Your capitalism has done that. In general, maybe the [word indistinct] Russian Revolution frightened the socialist societies, which thought they had to do something for mankind. The difference is we try to distribute more than you do. Of course, under capitalism a man depends a great deal on his own efforts. Under socialism—I can tell you because of our own experience—men receive a great deal from the state; they receive practically everything.

[Rather] Let me ask you two last questions. Somebody told me you are not convinced [words indistinct]

[Castro] I cannot make that assertion. It would be too premature to say that, but, unquestionably—I have not been saying it—the media have been saying it, the American press has been reporting it, the news agencies have been reporting that he might be the next president of the United States. This is as much as I can say. The situation is very confusing; the situation is confusing [words indistinct] no one knows if Colin Powell is [words indistinct]. He has to make a decision before [words indistinct] it is a very interesting phenomenon though [words indistinct], but we must [words indistinct] and the next [words indistinct] not so much how he thinks, because the things he thinks [words indistinct] interviews he has granted after he wrote the book. [Words indistinct] about the social benefits. He does not favor the resolution [words indistinct] certain things we find are puzzling [words indistinct] I am just like you are. I do not know. No one knows exactly what will happen. [Words indistinct]

Castro Not To Accept Conditions

PA2410001095 Madrid EFE in Spanish 2329 GMT 23 oct 95

[FBIS Translated Text] New York, 23 Oct (EFE) — Cuban President Fidel Castro today assured that, "by principle," he will not accept "political conditions" in exchange for the lifting of the economic embargo the United States imposed on Cuba 33 years ago.

"In principle, we will not accept political conditions that could adversely affect our independence and our domestic policies," Castro said during a brief interview with U.S. television network NBC.

The Cuban president ruled out the possibility of an imminent release of political prisoners, because "those who remain in prison committed acts of sabotage and terrorism," he pointed out.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Castro recognized that most Cubans have the desperate need to obtain dollars, forcing some of them to get involved in the black market and others to prostitute themselves to foreigners. However, he denied that his government tolerates these activities.

"This is the result of the economic difficulties and the toughening of the blockade; however, we do not support or tolerate these behaviors. We are fighting them. On the other hand, these problems are typical of a capitalistic world," Castro underscored in allusion to the so-called streetwalker system (prostitution).

He insisted that, despite all these difficulties, in Cuba, "we still do not see children without schools, people who cannot go to a hospital, or beggars."

Castro arrived in New York on 21 October to participate in the summit marking the 50th UN anniversary.

Representative to UN Criticizes Peacekeeping Efforts

PA1810155195 Havana PRENSA LATINA in Spanish 1945 GMT 17 Oct 95

[FBIS Translated Text] United Nations, 17 Oct [PL] — Cuba pointed out today that recent experience has shown that peacekeeping efforts joined with coercive actions are not the right answer if the consent and cooperation of the parties in conflict are not taken into account.

Permanent Cuban UN Representative Bruno Rodriguez made this observation during his speech in the 50th Plenary Session of the General Assembly which focuses on the theme "Memoirs of the Secretary General Regarding the Work of the Organization."

The United Nations can only be efficient if the member states allow it to be efficient, Rodriguez emphasized.

The agreements regarding the status of the peacekeeping forces should constitute a faithful expression of the consent, will, and disposition to contribute of the member nations involved in the operation.

"The UN Security Council should never constitute an umbrella to cover the unilateral decisions of a state or a group of states to intervene in situations that lie exclusively within the internal jurisdiction of each nation," Rodriguez said.

As to the criteria presented by Boutros Boutros Ghali regarding a reform of the United Nations that was contained in his report, Rodriguez said Cuba supports efforts to make the United Nations more effective and efficient, and thus more responsive to the decisions and interests of all nations.

Any reform process should be conducted with the adequate participation and previous approval of the member nations, and have as its fundamental premise the total fulfillment of the mandates approved by the General Assembly, as the only guarantee of its credibility and validity.

However — the Cuban delegate said — the success of this task will depend largely on the UN's financial stability, and on whether every nation keeps its obligation.

The ambassador considered essential the payment of the quota of the United Nation's main contributor, the United States.

Rodriguez also supports the criteria expressed by many nations regarding the rational and efficient use of its funds, which would contribute to a more efficient achievement of the United Nations' tasks.

Rodriguez said that savings should not, in any way, be the objective of the United Nations, but rather a means to better reach its goals, for which reason the search for efficiency should not affect the mandates, purposes, and principles, nor the universality, of the organization.

With regard to the peace/development equation, the turbulence in certain areas of the world could be interpreted as a unanimous clamor for peace, although the majority of events have a common denominator: the pressures from economic and social issues, Rodriguez said.

Rodriguez concluded that, in that sense, the interrelation between these aspects and the fundamental importance of development could not be ignored.

Therefore, if the message of the Secretary General when he approached this issue was different, then he would be moving away from the contents of the report presented before the 49th regular period of session last year.

Moreover, the Cuban diplomat reiterated that above all the discrepancies lie in Cuba's flexible disposition and constructive will in favor of dialogue and negotiations between the member states to reach fair, essential, and lasting solutions.

Cuban Change President Sends Letter to Carter

PA2010211495 Havana PRENSA LATINA in Spanish 0124 GMT 20 Oct 95

[FBIS Translated Text] Mexico City, 19 Oct (PL) — Dissident Eloy Gutierrez Menoyo has warned that any mediation to resolve the dispute between Cuba and the United States must be based on the conviction that Cuba's national pride plays a fundamental role.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In a document delivered by Gutierrez Menoyo, president of the Miami-based Cuban Change [Cambio Cubano] organization, to former U.S. President James Carter on 17 October, the leader noted that for many, Cuba's national pride is indissolubly linked to the figure of President Fidel Castro.

His recommendations to Carter, of which PRENSA LATINA obtained a copy, have the explicit objective of helping him understand the complexity of the Cuban situation and the enormous difficulties of a mediation that does not consider the obstacle that a U.S. tradition of tutelage over the island represents.

According to his assessment, any mediator of the conflict must recognize that the United States is regarded all at once as a major protagonist, necessary ally, avoidable mediator, and a dangerous instigator.

Specifically, the document warned that the relation between Cuban opposition and the United States has been one of tutelage and many enemies of the Cuban revolution are seeking the paternalist support from the United States.

In Cuba and the rest of the world, it added, the symbiotic relationship between Cuban extremists and the United States is regarded as an attempt to humiliate and destroy the government of President Fidel Castro and annihilate the revolution and every vestige of its political, social, and economic program.

According to this assessment, any mediation must begin by coming to terms with the antagonist mentality of bilateral relations that appears frozen in another era and must advise a new rapprochement based on respect for diversity.

Another element Gutierrez Menoyo advised Carter to consider was the island's struggle for independence that precedes 1959 — year of the triumph of the revolution headed by Fidel Castro — and that, he added, allowed Cuba to take a place in the international community as a sovereign nation.

In his document, Gutierrez Menoyo added that before the Playa Giron (Bahia de Cochinos) invasion was being threatened by U.S. governments, even before the confiscation of U.S. properties in the island and that new forms of that threat are the Torricelli law and the Helms-Burton bill.

It would be unthinkable for the Cuban Government, aware of its need to defend itself, to sit down for talks with leaders of the opposition who are trying to destabilize Cuba, and who, according to the document, have agendas devoid of independence and difficult to separate from U.S. interests.

Cuban Change told the former President Carter that the solution to the Cuban problem cannot be imposed from outside and warned him of the contradiction that while the United States is asking Cuba to have a multiparty system it is a two-party nation.

It also felt that the United States must forsake a pattern of arrogance so that the two countries can become good neighbors in the future and asked Carter to forget the notion that the U.S. model is the only acceptable one. That would be a healthy start, the document added.

Vietnamese Minister Views NAM, Ties With U.S., Cuba

PA2410042595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Oct 95

[From the "NTV" newscast — passages within quotation marks are recorded; Vietnamese Foreign Minister Nguyen Manh Cam's remarks in Vietnamese with passage-by-passage translation into Spanish]

[FBIS Translated Text] Following a tour of the facilities of the scientific hub west of Havana, Vietnamese Foreign Minister Nguyen Manh Cam remarked on issues such as the existence of the Nonaligned Movement [NAM] and Vietnamese-U.S. relations.

According to Nguyen, the members of the Nonaligned Movement believe the movement should be preserved for the following reasons:

[Nguyen] "The Nonaligned Movement not only fights for peace, national independence, and development but also fights for a new, fair, and just international order."

On relations with the United States, Nguyen said because these are still new, they are still in an exploratory phase in order to develop commercial trade:

[Nguyen] "Following that phase, we will enter into negotiations to sign a commercial accord."

The Vietnamese foreign minister added that everything in the world might undergo change, but this does not include the relations between Vietnam and Cuba:

[Nguyen] "Geography does not set us apart but, rather, [words indistinct]."

Nguyen Manh Cam also toured Genetic Engineering and the Biotechnology Center and the Finlay Institute, where he was briefed on Cuba's latest developments in biotechnology, genetic engineering, and vaccine production.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ukrainian Minister Ends Visit; Raul Castro on Naval Base

PA2310201595 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Oct 95

[From the "National Radio News" newscast]

[FBIS Translated Text] We have discussed topics of great mutual interest; we think there is yet much potential to be developed in the relations between the two countries, Ukrainian Prime Minister Yevhen Marchuk said here in Havana when speaking with the press at the Ukrainian Embassy. Prior to that, Raul Castro, first vice president of the Council of State and of the Council of Ministers, talked with the reporters and discussed aspects of the relations and of the current situation of our country. Gisela Bel Heredia has an expanded report on this.

[Bel Heredia] Speaking with the press, Army General Raul Castro also said that our people continue to trust this socialism.

[Begin recording] [Castro] If this were not the case, how do you think it has been possible to uphold the Cuban Revolution just 90 miles from imperialism that everyday tightens the bolts more on us? For example, yesterday the U.S. Senate approved in principle the Helms-Burton bill with a few minor modifications. Chapter 3 was eliminated. How could we have maintained the revolution? We have done so because of the unity of the people, the prestige of the revolution, the courage of our people. In spite of the fact that more than 50 percent of the people [word indistinct] defend the victory of the revolution, right? [end recording]

[Bel Heredia] Likewise, he said that we will make the necessary modifications and reforms, but we will never ask for [word indistinct] political power, because the conflict with the United States is over two centuries old. He emphasized the path to be followed until we recover Guanatamo Naval Base is part of our heritage.

[Castro] We are going to recover this naval base, but not militarily because then it would be destroyed and we could not use it. We are going to recover it peacefully. In other words, that conflict is centuries old. We have always been fighting for our independence, for our sovereignty. [end recording]

The Ukrainian prime minister is in our country in transit, returning from Colombia. Following his arrival, he met with Raul Castro at the Palace of the Revolution. Also present at the meeting were Carlos Lage, vice president of the Council of State, as well as Foreign Trade Minister Ricardo Cabrisas, acting Foreign Minister Isabel Allende, and Public Health Minister Carlos Dotres.

Ukrainian Prime Minister Yevhen Marchuk will conclude tonight his visit to Cuba that lasted more than 24 hours. As he himself said, he will leave satisfied, trusting that the first session of the Ukrainian-Cuban intergovernmental joint commission will take place next November in Kiev.

Ranking Officials Greet South African Foreign Minister

PA2110220895 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Oct

[Report by Marta Moreno from the headquarters of the Minfar; from the "NTV" newscast]

[FBIS Translated Text] [Announcer] Army General Raul Castro, second secretary of the Central Committee of the Communist Party and head of the Ministry of the Revolutionary Armed Forces [Minfar], today welcomed South African Foreign Minister Alfred Nzo at the headquarters of the Minfar. Commander of the revolution Juan Almeida and Jorge Risquet, member of the Central Committee of the Communist Party, were also there to greet the South African official.

[Moreno] Army Gen. Raul Castro and Commander of the revolution Juan Almeida welcomed Foreign Minister Alfred Nzo at the headquarters of the Minfar. Castro and Almeida thanked, on behalf of the Cuban Government and Commander in Chief Fidel Castro, the gesture by President Nelson Mandela to make a courageous statement at the African Conference of Solidarity with Cuba, held in Johannesburg recently.

Mandela disapproved of the U.S. decision to maintain its blockade on Cuba, despite the end of the Cold War. Mandela also stated that his government will remain firm in its policy toward the island and it will seek to strengthen diplomatic relations and cooperative ties between the two countries.

We have an enormous debt with the Cuban people, Mandela remarked, for their altruistic contributions toward to the anticolonial struggle and against apartheid.

Mandela referred to the progress being made regarding the complex process of African [words indistinct] and the fight by the government of national unity, presided by Mandela, to meet such immediate needs of the population as employment, housing, health, and education. He also stressed the indestructible solidarity among the brother peoples of South Africa and Cuba, who shed much blood for the liberation of the southern cone.

The meeting held by the South African foreign minister, the head of the Minfar, and Commander of the revolution Juan Almeida took place in a warm and fraternal

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

atmosphere, as expected among old friends and partners in combat .

Diplomatic Relations Established With Kenya

PA2110194895 Havana PRENSA LATINA in Spanish 1824 GMT 19 Oct 95

[FBIS Translated Text] Cartagena de Indias, 19 Oct (PL) — Today, Cuba and Kenya established diplomatic relations here within the framework of the 11th Nonaligned Movement [NAM] Summit.

Cuban Foreign Relations Minister Roberto Robaina and his Kenyan counterpart, Stephen Kalonzo Musyoka, signed the corresponding documents at a simple ceremony held at the Cartagena Convention Center.

The two ministers stressed the historic meaning of the signing as it coincided with the NAM meeting and was held just before the 50th UN anniversary.

We want, Musyoka said, to be friends with everybody and no one's enemy. Robaina agreed with this statement by stressing that this is only the beginning of bilateral relations that have good prospects for development.

The Kenyan foreign minister pointed to the high level of human resources development the Caribbean island has achieved and specifically refered to the health sector, from which the African nations expect to obtain some benefits.

Meanwhile, Robaina affirmed that the two countries are extremely rich in human resources.

We will use all our energy to ensure that these relations will find a beneficial opportunity for Cuba and Kenya because we have much more to share, the Cuban official pointed out.

Foreign Investment Minister Meets With Canadian Businessmen

PA2310014395 Havana PRENSA LATINA in Spanish 1834 GMT 20 Oct 95

[FBIS Translated Text] Ottawa, 20 Oct (PL) — Ernesto Melendez, foreign investment and economic cooperation minister, met in Toronto today with businessmen and executives during the final day of his visit to Canada to attend the ceremonies marking the 50th anniversary of the FAO [UN Food and Agriculture Organization].

One of the most important meetings, which was held yesterday, 19 October, was the one held by the Canadian Council for the Americas, a source from that government entity explained.

The Cuban minister explained and went over aspects of the new foreign investment law, which was recently approved in his country, a field in which Canadian firms actively and dynamically are conducting their activities.

On Wednesday, 18 October, Melendez met in Ottawa with Canadian Deputy Foreign Minister Katerine McCallion and Christine Stewart, secretary of state for Latin America and Africa, as well as with Paul Labbe and Huggette Labelle, presidents of the Corporation for Export Development and of the Canadian Agency for International Cooperation, respectively.

Participants at the meetings discussed bilateral relations, economic cooperation, increase in trade this year, and the possibilities of expanding it.

According to official figures, annual trade between the two countries amounts to some $240 million. The northern country also sends the most tourists to the Caribbean country.

In Quebec, Melendez attended a ministerial meeting on the occasion of the anniversary of the FAO, where a declaration against hunger, which adversely affects humanity, was signed.

According to the document, the entity promised to carry out actions to increase the levels of nutrition and life of the peoples of the planet, improve food distribution, and contribute to the expansion of world economy.

Government Implements New Trade Verification Measures

PA2110194695 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Oct 95

[from the "National Radio News"]

[FBIS Translated Text] The main objective of the new trade verification measures implemented by the Cuban Government is to improve the verification system of all trade conducted in Cuba starting now. With the details of this report, reporter [name indistinct] Garcia from Holguin Province:

[Begin recording] [Garcia] In a meeting held in Holguin Province with experts from Cuba's five eastern provinces, the regulations included in the current trade register were disclosed in order for each private or public company which exchanges local or foreign currency to know what is need to conduct its business, including the company's name. Or, in more practical terms, if trade in a specific product is authorized, other products may not be included. Now, whether these measures are being obeyed will be determined by the efficiency in their verification, a key element in the protection of consumers, Emiliano Morales, first deputy minister of interior trade, emphasized.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Morales] We have to protect our people. We have to protect our retail, restaurant, and service markets. No matter how organized a Ministry may be with regards to its organizational and overall structure — which we are continuing to improve — no matter how great a number of companies having different structures are seeking efficiency in problem solving; and no matter how many facilities we might have — even though it is not the right moment for them because we have so many physical limitations; nevertheless, even if we had all these possibilities, if we did not have the company's cross entries during the verification process, we would not reach our goals. Because, we may plan many things, we may have many ideas and proposals; however, the cross entries are always going to measure — like a thermometer — the actual results. The satisfaction of our people is precisely this verification.

[Garcia] According to Morales, Holguin Province has the best performance in verifying trade activities in the entire country. [end recording]

Government Calls For Discipline, Order, Efficiency

PA2110225695 Havana PRENSA LATINA in Spanish 1534 GMT 19 Oct 95

[FBIS Translated Text] Havana, 19 Oct (PL) — The Cuban Government made a call to reinforce discipline, order, and efficiency in response to the current economic difficulties, and as a mechanism to recover from all the debts contracted by the island.

According to a report by GRANMA, the call was made this past Tuesday during the end of a government inspection to the Ministry of the Fishing Industry that included Raul Castro, first vice president of the council of state, and Carlos Lage, vice president responsible for economic issues, among other high ranking officials.

In his speech during the inspection, Lage argued that the country has been forced to turn to international financing in order to encourage production and revive the economy but "not to compensate inefficiencies."

He stressed that in spite of a modest recovery, this brought "a greater degree of indebtedness (...), growing obligations (...), due to the conditions we are being imposed on account of the U.S. blockade."

The Cuban leader emphasized that the fishing industry constitutes a major source of currency, food, and financing, which, he stated, is not taken full advantage of as the nations requires.

A report presented by the Attorney General Juan Escalona points to the existence of "irregularities and fraudulent handling" in the management of eight state agencies inspected, resulting from poor controls, not observing required guidelines, lack of discipline, in addition to violations that propitiated the deviation of resources.

Likewise, the report highlights, insufficiencies in sectors such as shrimp growing and aquiculture where millions have been invested, mistakes in labor and wage issues, the economic-financial-banking matters, and the distribution of marine products were also cause for debate.

On the other hand, and to end the inspection, First Vice President Raul Castro recalled President Fidel Castro's call, which is still in effect, to "rise to the struggle for efficiency, against everything that is poorly done, indolence, negligence, apathy, and corruption.

If there are no controls and the individual, in accordance to his responsibility, does not respond for the resources under his control, "we will never overcome the special period," Castro stressed according to the GRANMA report.

After highlighting the role of overseeing bodies, Castro stipulated that these agencies "must not be bound to anyone." If we are to demand discipline from workers, fishermen, we must begin with ourselves [the leaders], he stipulated.

Minister on Protection of Social Property, Self-Employed

PA2310192995 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Oct 95

[Report by Alcires Garcia; from the "National Radio News" newscast]

[FBIS Translated Text] Labor and Social Security Minister Salvador Valdes stated that our economy will be predominantly state run and we are going to protect social property, however, a volume of self-employed workers will have to coexist within this economy. Valdes made these statements during the closing of the labor assessment meeting, which took place in Granma. Alcires Garcia reports from Granma:

[Begin Garcia recording] The meeting's results indicated that there are 46,000 people looking for a job in Granma. Efforts are being made which involve finding job sources to alleviate this situation. However, only 40 percent of the current job demand can be met, most of it in the agriculture sector. It is very important to recognize that this province is imminently agricultural. Even though we can grow — even more — in other economic sectors, agriculture will always be predominant. On the other hand, self- employment is a very important source of jobs. There are already 204,000 self-employed in Cuba. The assessment meeting's second option would

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

generate 13,000 new jobs, this would cover 80 percent of the current job demand and it would reduce the amount to a mere 3.2 percent. This is a difficult goal but not impossible because we have what is basically needed; the land. Salvador Valdes admitted that agriculture does not have the infrastructure to assimilate the work force it needs and that the most important thing now is to create these conditions, especially, regarding housing and food supply. The population will be convinced when they see the need to have a regular source of income. [end recording]

Agriculture Minister Comments on Mountain Fronts

PA2210144795 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Oct 95

[From the "National Radio News" newscast]

[FBIS Translated Text] With Agriculture Minister Alfredo Jordan Morales attending, the Mountain Front was constituted in Guantanamo Province, which comprises the municipalities of Sagua and Segundo Frente in the most eastern province of the country. Jose Mejia obtained an exclusive interview with Jordan.

[Begin Jordan recording] This, undoubtedly, has allowed the study as a group of all the things that have a bearing on life in the mountains. Above all, I believe that the most important factor has to be seen from the aspect of discipline. It should be seen that all the established laws are obeyed in the mountainous regions.

As you know, we have had many problems because of a lack of discipline, forest fires, and improper timber cutting. Specific regulations on the use and conservation of land in the mountains have not been strictly observed, and certain mountain areas, on occasion, have not had regular and strict maintenance that they need. We think that these organisms that we created — four Mountain Fronts already been organized in our country — without a doubt will contribute in questioning the intelligence, the will, and all the potential that we have in the mountainous regions, so that we will meet the plans and goals that we have proposed. [end recording]

Notes 'Positive Signs' in Agriculture

PA2210151595 Havana Radio Rebelde Network in Spanish 1255 GMT 20 Oct 95

[From the "Doing Radio" newscast]

[FBIS Translated Text] [Station Announcer Garrido] Here is the continuation of an interview with Alfredo Jordan, agriculture minister and Politburo member, by colleague Jose Mejia very early today.

[Mejia] Thank you, Garrido. Greetings to the large audience of the "Doing Radio" newscast. Yes, this is an exclusive interview with Agriculture Minister Alfredo Jordan Morales on the current situation in Cuban agriculture after the establishment of the Mountain Front [Frente de Montana] here in Guantanamo Province. This is the continuation of that interview. We asked the minister about the current situation of agriculture in Cuba; whether there is an improvement at present:

[Begin Jordan recording] As I told you, there are some positive signs; for example, during the first half of this year the GDP in agriculture grew by 13 percent. We grew by 25 percent in the tubers and vegetable sector. Of course, this growth is in comparison to figures of 1993 and 1994, which were the most depressed years. We virtually never refer to such data, because we always compare agricultural production to the best times, to historical records, without forgetting that those historical records pertain to times when our agricultural sector enjoyed large supplies of input.

To give you an idea, the value of all the inputs we used in agriculture totaled about $800 million in 1989 compared to only $150 million for the past two years. I think that these two figures suffice to give an idea of the situation of our work and struggle.

I do think, however, that we should feel secure and optimistic. I think that the measures that the revolution have adopted to transform agriculture will reinforce the concept of greater responsiblity, greater awareness regarding the use of resources, and greater motivation. Our workers are more motivated, and this is a reality. An example of this is that the UBPCs [Basic Cooperative Production Units] have increased and consolidated the necessary work forces.

More than 8,000 persons joined efforts in the mountains, and more than 7,000 persons joined tobacco-related efforts. Many persons from the contingents later become UBPC members and stay in the integrated farms. We are now also making profound changes at state farms where 50 percent of profits, after deducting expenses, are distributed among integrated farm workers.

We think that all these developments undoubtedly make us feel secure and optimistic that we are journeying on a responsible and safe path. [end recording]

PCC Secretary: Self-Employment Does Not Solve Problems

PA2210213895 Havana PRENSA LATINA in Spanish 1539 GMT 20 Oct 95

[FBIS Translated Text] Havana, 20 Oct (PL) — A high-ranking Cuban official said here today that self-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

employment cannot resolve the overall problems of the nearly 11 million island residents and that is why the island will never abandon state property.

Esteban Lazo, member of the Communist Party's politburo and first secretary of that organization in the city of Havana, added that the more than 203,000 Cubans who are self-employed in 160 different activities may have a high individual income, but they will never be able to replace the role of the state.

At the conclusion of an inspection visit paid by the National Directorate of the Union of Young Communists [UJC] to more than 240 centers of socioeconomic interest in the capital, the highest party authority in the city of Havana called on people to reflect on whether self-employment will guarantee the population's family basket and the children's milk.

He said the self-employed should be seen as an extension of the national economy, not as a complement, and he criticized the high prices charged at the farmers markets, which operate here according to supply and demand forces, and at the so-called "paladares" [small, private eateries].

Moreover, Esteban Lazo praised the effort of the cadres (leaders) in this difficult economic situation faced by Cuba because, he said, "even though it may hurt us, sometimes we must tell the population that we lack the resources to resolve a certain problem."

As an example, he noted the efforts to find solutions to the problem of supplying the capital with water, an investment that requires nearly $500 million and which the country is not in a position to finance, but it can find alternate solutions.

The first secretary of the party in the city of Havana, after recognizing the existence of some 6,000 "prostitutes," said that thousands of Cuban women have taught the world a lesson of resistance, dignity, and determination.

The UJC, after recommending a broad plan of action to face different problems that are adversely affecting the island's capital, praised the commitment of the young leaders of the most important city in this Caribbean nation.

Politburo Members Discuss Sugar, Agriculture With Officials

PA2110134595 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Oct 95

[From the "NTV" newscast]

[FBIS Translated Text] Members of the Politburo Esteban Lazo and Candido Palmero met officials of the Sugar and Agriculture Ministries and delegates of the Party and the Cuban Workers Federation [CTC] from Havana and Havana province to discuss the current situation in the agricultural sugarcane and nonsugarcane labor force, construction of houses in agricultural communities, and the needs of men who are mobilized.

Havana's agricultural delegate reported that there has been a considerable reduction in the demand for mobilized workers due to the support of the Youth Labor Army, a certain stability in the Basic Cooperative Production Units' labor force, and their better association with the area.

It became clear during the meeting that house construction in communities continues to be a main concern for objective and subjective reasons. The Construction Ministry reported that some measures have been adopted to complete this year's program.

Also, the Sugar Ministry reported the creation of 98 brigades of sugar-cutting men in Havana province and stressed the importance of quality cutting. The CTC in Havana reaffirmed its commitment to mobilizing men for the harvest and highlighted the need to achieve goals.

Havana workers must be prepared at the beginning of the tobacco and sugarcane harvests, and the largest food campaign in the country, to achieve successful results.

Roundup of Sugarcane Developments Through 22 Oct

PA2310054095

[FBIS Editorial Report] The following is a compilation of reports on sugarcane and sugar industry developments in Cuba monitored through 22 October.

The Salvador Rosales agroindustrial mill is nominated for the Cuban Association of Sugar Technicians' Alvaro Reynoso Award for technical excellence. This mill has ranked among the top 10 mills in the country for the past 20 years in terms of productivity. (Havana Radio Rebelde Network in Spanish 1800 GMT 16 Oct 95)

About 31,000 caballerias of sugarcane have been planted since January in the provinces of Havana, Cienfuegos, Ciego de Avila, and Camaguey surpassing the programmed amount by 24 percent. (Havana Radio Rebelde Network in Spanish 1255 GMT 17 Oct 95)

Specialized organisms have stated that the international sugar market is hampered by the protectionist policies of industrialized nations. According to leaders of the Group of Latin American and Caribbean Sugar Exporting Countries gathered in San Salvador, El Salvador, area producers cannot compete with the EU and the United States because of the subsidies granted by these nations

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to the sugar industry. This keeps the price of sugar under 20 cents a pound. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Oct 95)

Pedro Miret Prieto, president of the national commission for forums on technology and sciences has stressed in Matanzas Province that reconstructed machinery and combines will be used in the coming harvest season. (Havana Radio Rebelde Network in Spanish 1800 GMT 21 Oct 95)

The Cuban Enterprise for Exporting Sugar and Sugar Byproducts has reported that the price of crude sugar suffered a four-point loss during the week from 16 through 20 October in the New York international spot market, closing at 12.04 cents a pound, while that of refined sugar fell 76 points in the Paris spot market, closing at 17.32 cents a pound, during the week from 16 through 20 October. (Havana PRENSA LATINA in Spanish 0004 GMT 21 Oct 95)

Roundup of Politburo Members' Activities Through 20 Oct

PA2210030995

[FBIS Editorial Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 20 October.

According to a Havana, 14 October datelined item, the National Assembly of the People's Government today paid homage to prominent personalities of the national culture. Assembly President Ricardo Alarcon, and Abel Prieto, president of the National Union of Cuban Writers and Artists, were present at the event, which was held in Havana. (Havana PRENSA LATINA in Spanish 2244 GMT 14 Oct 95)

According to a Havana, 13 October datelined item, during his official visit to Cuba, Mongolian Foreign Minister Tserenpilyn Gombosuren met with Abel Prieto, member of the Politburo of the Communist Party of Cuba and of the Cuba-Mongolia Friendship Association. While in Cuba, Gombosuren has discussed ways of strengthening bilateral relations between his country and the island. (Havana PRENSA LATINA in Spanish 0110 GMT 14 Oct 95)

Ricardo Alarcon, president of the Cuban Parliament, has received in Havana British Labor Party Deputy Anthony Lloyd, who is his party's foreign affairs spokesman for the Latin American region. (Havana Radio Havana Cuba in Spanish 0000 GMT 11 Oct 95)

Esteban Lazo, Communist Party of Cuba First Secretary for Havana, and Sugar Industry Minister Nelson Torres today met with workers of the basic and light industries to discuss matters related to the forthcoming sugar harvest. Torres noted the importance of production. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Oct 95)

Haiti

Werleigh Said Designated New Prime Minister

PA2310171195 Port-au-Prince Signal FM Radio in Creole 1530 GMT 23 Oct 95

[Monitored in progress]

[FBIS Translated Text] ...we will note that the presidency of the Senate of the Republic did not want to confirm this news for Signal FM. A member of the new Senate office who was contacted by Signal FM explained that it is not yet official because in the Senate office they have not yet received any official text saying that President Aristide has designated Claudette Werleigh as the future prime minister.

[Port-au-Prince Tropic FM Radio in Creole at 1500 GMT on 23 October reported that Claudette Werleigh had been chosen to replace Smarck Michel as prime minister]

President Chooses Werleigh

PA2410011795 Port-au-Prince Radio Metropole in French 1600 GMT 23 Oct 95

[Report by Edner Jean from "The Midday Newscast"]

[FBIS Translated Text] [Announcer Kettly Jean-Poix] The chamber president has confirmed the appointment of Claudette Werleigh for the post of prime minister.

[Edner Jean] Yes, it is confirmed. President Aristide has chosen Claudette Werleigh to replace Smarck Michel as prime minister. The president of the Chamber of Deputies just confirmed this information for Radio Metropole. He said the president of the Republic should officially convene the parliamentarians to approve Claudette Werleigh as new prime minister.

The advisory meeting took place at the National Palace yesterday between the presidents of the two chambers, and President Aristide chose Claudette Werleigh. The parliamentary procedure, which should begin by [words indistinct] of the chambers, the senators and the deputies respectively, has yet to begin; that should begin on 25 October, but President Aristide has not yet sent a convening note inviting the parliamentarians to approve his choice.

[Jean-Poix] It is thus confirmed. The Presidency's choice has fallen on Claudette Werleigh, the current foreign minister, to become the next prime minister.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Background of Prime Minister Designate

PA2410011895 Port-au-Prince Radio Metropole in French 1600 GMT 23 Oct 95

[Report by Rotschild Francois from "The Midday Newscast"]

[FBIS Translated Text] The next head of government should be Claudette Werleigh, the current foreign minister. According to parliamentary sources, this decision should be announced officially the afternoon of 23 October before President Aristide departs for New York.

Werleigh is part of the Haitian delegation that will participate in the festivities commemorating the 50th UN anniversary in New York. If parliament approves her appointment, Werleigh will be the first woman to take this post. Rotschild has more.

[Francois] President Aristide has chosen, designated Claudette Werleigh to lead the next government. Sources within the Haitian Parliament have confirmed this information for us. These sources have told us President Aristide should announce the news this afternoon before departing for New York. Bear in mind that President Aristide will accompany Werleigh, who is the current foreign minister and who has been called to head the next Haitian Government.

Werleigh was social affairs minister under the government of Ertha Pascal Trouillot. She is 49 years old, was born in Cap-Haitien on 26 September 1946, studied in Haiti, Mexico, Spain, and the United States. She is a sociologist and a medical technician. She was part of the cabinet in 1991 of Rene Preval, who led the government at that time. She headed the Haitian Embassy in Washington in 1992-1993. President Aristide in August 1993 chose her to head Haitian diplomacy. Since then, she has been heading the Haitian Foreign Ministry under Malval and Smarck Miche'. She was with President Jean-Bertrand Aristide in Washington during the three years of exile.

Werleigh might lead the next government, and President Jean-Bertrand Aristide may officially announce this information this afternoon before departing for the United States.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Foreign Relations Secretariat Rejects Helms-Burton Bill

PA2310204495 Mexico City LA JORNADA in Spanish 20 Oct 95 p 68

[Report by David Aponte]

[FBIS Translated Text] The Mexican Government expressed last night "its hope" that U.S. President Bill Clinton may veto the Helms-Burton bill, thus not allowing this initiative "to become a U.S. law" as State Secretary Warren Christopher recommended on 21 September.

For a second time, the Foreign Relations Secretariat (SRE) announced its rejection of the legislative approval of The Cuban Liberty and Democratic Solidarity Act, because it attempts to harden the blockade against the Havana Government and to enforce sanctions to third countries.

During his speech at the 11th Nonaligned Movement Summit in Cartagena de Indias in Colombia, Foreign Relations Secretary Jose Angel Gurria said Mexico demands respect for the principles of nonintervention and peoples' self-determination.

"As a country respecting international law, Mexico absolutely rejects the attempts to enforce the laws of one state in an extraterritorial fashion. Therefore, we reject the proposal known as The Cuban Liberty and Democratic Solidarity Act.

"This initiative violates very significant international regulations, including the UN Charter and current international agreement on trade and investment," he said.

Last evening, the SRE insisted that the bill the U.S. Senate approved jeopardizes the sovereignty of third countries "because of its" extraterritorial "contents and scope."

When the House of Representatives approved the initiative on 21 September, the SRE announced its rejection of the contents of the Helms-Burton bill and expressed its "disagreement with the possible implications in international law that would result if the bill is enforced."

In April 1995, the Mexican authorities sent a diplomatic note to the State Department and began communicating with the U.S. Congress to express their concern for the contents of the Helms-Burton bill.

The SRE underscored, "The Mexican Government respects the sovereignty of states. However, the scope of the aforementioned bill is unacceptable in the light of international law, because it attempts to enforce local U.S. regulations beyond its own borders and to submit to local jurisdiction controversies resulting from actions taken by governments, businesses, and individuals in other states."

He said the essence of this initiative disregards the majority trend prevailing in the international community, which has firmly condemned the economic embargo imposed on the Cuban Government and people.

At that moment, President Ernesto Zedillo Ponce de Leon's government expected that the legislative approval and possible enforcement of the Helms-Burton bill "would be a source of tension in an environment of international dialogue and cooperation not only in our region, but also among the community of nations."

After the U.S. Senate approved the bill, the SRE said on Thursday that Mexico hopes that President Bill Clinton's government listens to the recommendation made by Warren Christopher, head of U.S. diplomacy, to veto this bill and not allow it to become a U.S. law.

Country Records $1.083 Billion Trade Surplus With U.S.

PA2310233495 Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 19 Oct 95 p 18A

[FBIS Translated Excerpt] In August, Mexico recorded a surplus of $1.083 billion on its trade with the United States; however, this gain is 15.5-percent lower than the surplus recorded in the previous month and is the lowest surplus since January 1995.

This is how our country's mercantile surplus has decreased for three months in a row. It once decreased for the increase in the purchases of goods given the scarce domestic production. Even so, the deflation in the positive trade flow took place although, in August, the peso was devalued vis-a-vis the dollar.

The above notwithstanding, Mexico recorded a historical surplus of products for $10.031 billion during the first eight months of 1995, which is a big departure from the $1.801 billion deficit recorded during the same period in 1994. [passage omitted]

Report Notes Incidents After Chiapas Elections

PA2410034695 Mexico City LA JORNADA in Spanish 19 Oct 95 p 18

[Report by Juan Balboa]

[FBIS Translated Excerpt] Tuxtla Gutierrez, Chiapas, 18 October — Destruction and the burning of electoral packages, sit-down strikes and seizures of municipal council installations, marches and demonstrations, confrontations among public security policemen and active members of the PRD [Party of the Democratic Revolution], evictions and death threats, as well as the demand

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to void the 15 October elections are some of the numerous incidents that took place on 18 October in at least 25 municipalities.

The State Electoral Council (CEE) has accepted that several of its municipal offices are in the hands of "nonconformists" and has urged political parties not to "mar" the "peaceful" 15 October elections. The official counts in 109 electoral councils started today.

Meanwhile, the PRD has filed appeals for challenge at electoral installations in 20 municipalities, in four of which mobilizations were staged to defend the votes. The PRD has also announced it will ask the State Electoral Court (TEE) to void the elections, because it claims it won.

The CEE has confirmed that until the afternoon of 18 October the offices of the municipal councils in Amatenango del Valle, Villa Comaltitlan, Soyalo, Union Juarez, El Bosque, Bejucal de Ocampo, Metapa de Madero, and Ciudad Hidalgo were mostly in the hands of active PRD members. The sessions in these municipal councils were suspended for lack of guarantees.

Several citizen advisers and political party leaders have also confirmed the offices of the municipal councils in Comitan, Libertad, Coapilla, Huixtlan, Acacoyagua, Simojovel, San Cristobal de las Casas, Pantelho, Tapachula, Sabanilla, Cintalepe, and Oxchuc were surrounded by demonstrators who hindered traffic and activities.

In five other mayor's offices (Tila, Las Margaritas, Angel Albino Corzo, Venustiano Carranza, and Huitiupan), dozens of communities demanded the municipal council cancel the elections, arguing "electoral fraud."

In Villa Comaltitlan, 200 public security policemen used tear gas to evict the active PRD members who had taken over the municipal council offices. State leaders have reported that seven activists were injured and that the police arrested seven others.

Active members of the PRI [Institutional Revolutionary Party] threatened with death and to evict from Totolapa Municipality PRD candidate Candelario Ruiz, who sought refuge along with his family at the PRD installations in Tuxtla Gutierrez.

Meanwhile, the situation remains tense at the Indian municipality of Amatenago del Valle. Tens of PRI followers took over the installations of the municipal council to demand the opening of the electoral packages. Active members of the PRD remain inside the municipal palace and fear an aggression. According to the preliminary results that had been released up to last night, the PRD candidate won in this municipality.

The PRD Challenges 20 Municipalities

This afternoon, PRD leaders Juan Gonzalez and David Tovilla made public the list of 20 municipalities in which the electoral results were challenged. In only five mayor's offices, the active PRD members today started staging mobilizations in front of the municipal council offices. According to the PRD, the protests will be slow so as to cover all challenged municipalities where "there was fraud" and where abstentionism exceeded 70 percent.

Likewise, the PRD has challenged the elections in Tapachula and Comitan, the second and fourth largest cities in the state. It also has filed appeals for protest in Las Margaritas, one of the three municipalities located in the area of conflict, where the PRI candidate has only 500 votes more than the PRD candidate. In addition, the PRD has filed complaints in Huitiupan and Villa Comaltitlan, because there is a six-vote difference in the former and a difference of almost 100 votes in the latter. In another 11 municipalities in the Indian areas of Los Altos and Sierra Madre de Chiapas, the PRD also filed appeals for protest. The other challenged municipalities are located in the Soconusco region.

Of the 20 municipalities the PRD members claim, the PRI won 11 in the August 1994 gubernatorial elections and the PRD nine.

The opposition party has said "serious anomalies" were detected in most of these municipalities: People who had several voter identification cards were allowed to vote; votes were altered; ballot boxes were irregularly stuffed; table officials voided votes favoring the PRD; armed individuals were allowed to vote; opposition party representatives were threatened and evicted; voters were pressured to favor the PRI; polling stations were stolen; ballots were lost; votes were purchased; the electoral lists were manipulated; and public security policemen and the Mexican Army intimidated people.

The CEE Recognizes Problems and Urges People to Remain Calm

CEE President Jorge Amador Coutino Lemus recognized today that there are indeed postelectoral problems, mainly sit-down strikes and takeovers of municipal council offices, in several municipalities. This is why it called on the political parties to remain calm and avoid "marring" the 15 October elections.

In the morning and afternoon CEE sessions, Coutino insisted the legal means to settle postelectoral problems in the 24 districts and 111 municipalities of the state must be taken advantage of. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The PRI Is Ahead in 83 Municipalities, the PRD in 18

According to the preliminary results disclosed up to today, the PRI obtained an overwhelming majority in the municipalities where it won. In the last 24 hours, the PRI added three other municipalities, totaling 83 now. It started having problems, however, in one of the municipalities it was winning up to 16 October. Meanwhile, the PRD added another municipality, totaling 18 now. The PAN [National Action Party] still has five mayor's offices.

The Cardenist Front for National Reconstruction Party (PFCRN) and the Labor Party [PT] have won one mayor's office each in municipalities where the PRI and the PRD had won in the previous elections.

Most municipal governments and the local legislature remain in the hands of the ruling party, while the PRD, PAN, and the PT could win a third of the local congress.

The CEE preliminary figures are not clear in Bejucal de Ocampo, a municipality where two active PRD members were killed on election day, according to what peasant residents have reported. Bejucal de Ocampo is located in the Sierra Madre de Chiapas. Neither the PRD nor the State Attorney General's Office has confirmed the murders.

Starting tomorrow, the TEE will start receiving the appeals for protest and challenge per municipality. The PRD has announced it will file at the TEE the 20 complaints it filed today at the district and municipal councils.

Gonzalez, PRD representative before the CEE, has affirmed the TEE will be asked to void the elections in all these municipalities.

Four opposition parties (PRD, PAN, PFCRN, and PVEM [Mexican Green Ecologist Party]) have announced they will stage marches and demonstrations to protest the "electoral fraud" on 19 October in the municipalities of Villaflores and Venustiano Carranza.

Alliance Reports Abstention Rate High in Chiapas Election

PA2110162695 Mexico City LA JORNADA in Spanish 17 Oct 95 p 8

[Report by Jose Gil Olmos and Elio Henriquez]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas, 16 Oct — The rate of abstention in the 38 municipalities in the conflict zone was above 65 percent. The State Civic Alliance [Alianza Civica Estatal] disclosed in a preliminary report that in some regions, especially on the border, irregularities occurred before the elections, when official resources were used through the State Development Planning Committee [Coplade].

Cristobal Palma, deputy candidate for the Fifth District, which comprises San Cristobal de las Casas and Teopisca, said "there was much absenteeism because of Marcos." This member of the Party of the Democratic Revolution [PRD] was asked how and when. Uncertain, he answered: "Munoz Ledo said so a short time ago in a communique."

However, in Altamirano Municipality, in the conflict zone, this charge was rejected because the communities decided to support the PRD candidate, Rogelio Santiz.

According to the State Electoral Council, after having counted 94 percent of the votes there, the PRD candidate had 2,262 votes and the candidate of the Institutional Revolutionary Party [PRI], 1,984.

As a result of these elections, Altamirano Municipality, one of the six seized by the Zapatist National Liberation Army [EZLN] on 1 January 1994, will for the first time have an opposition municipal president, and there is the possibility of the municipal government being transferred from Altamirano to Morelia.

A similar situation occurred in Las Margaritas Municipality, another region with EZLN presence. Despite the fact that in some communities, such as La Realidad, no elections took place, there was, according to official reports, a close contest between PRI and PRD followers. In some places, with 88 percent of the votes counted, the PRD candidate had 7,140 votes. The PRI was ahead, with 7,643 votes.

In a report preliminary to one the State Civic Alliance will present, three of the observers who visited the community of La Realidad ratified the presence of military troops in the site just before the beginning of the elections.

State Civic Alliance observers Juan Ramon Hernandez, Karla Mendoza, and Cristina Mondragon, have presented photographs showing trucks and light tanks with armed soldiers entering the community this Sunday.

The group of observers said that, based on information from the Tojolabal community, there was a military presence the day before the elections and overflights Saturday and Sunday. These actions, they said, produced fear and unrest among the indigenous population.

State Civic Alliance representatives have commented that one irregularity detected was the use, through Coplade, of state resources in some communities on the border. This was done weeks before the elections.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

PRI Ahead in Election Results of 29 Municipalities

PA2010211995 Mexico City LA JORNADA in Spanish 17 Oct 95 p 8

[Report by Juan Balboa]

[FBIS Translated Text] Tuxtla Gutierrez, Chiapas, 16 Oct — Preliminary analyses of elections results show that the Institutional Revolutionary Party [PRI] is ahead in 29 of the 38 municipalities that both the federal government and the governing party view as communities linked to the Zapatist National Liberation Army [EZLN].

Sunday's elections figures show that the Party of the Democratic Revolution [PRD], in obtaining only one-fifth of the so-called Zapatist municipalities, has been "the big loser" in Los Altos de Chiapas, the north-jungle region, and the conflict zone municipalities.

According to analyses by PRI leaders and observers, preliminary results made known Monday evening give PRI a broad lead in the 38 municipalities with significant Zapatist influence.

The PRD will govern the municipalities of Altamirano, Chilon, Bochil, Sitala, Iztapa, Jitotol, and Amatenango del Valle. The Labor Party, surprisingly, won in Simojovel, one of the municipalities with the largest presence of independent peasant and Indian organizations.

According to elections officials, PRI has a majority of the votes in the Zapatist municipalities of Las Margaritas, where there are EZLN militia people, La Independencia, La Trinitaria, Chanal, Oxchuc, Huiztan, Comitan, San Cristobal, Teopisca, Villa de las Rosas, Socoltenango, Totolapa, Palenque, Salto de Agua, Sabanilla, Yajalon, Tumbala, Huitiupan, San Andres Larrainzar, Chenalho, Pantelho, and Mitontic.

The PRI state leadership had been concerned about the elections outcome in those 38 municipalities and had believed the results would be adverse because of the influence of the EZLN in Indian and peasant zones and also because of the "Catholic Church's support for the opposition," the progress the PRD has made in areas where PRI had had hegemonic control for 60 years, and because of punishment-votes against the governing party in view of the poor selection of candidates and their relations with the old political bosses of Chiapas.

The PRD had said it would win in 50 percent of the 111 municipalities. In the August 1994 elections, the PRD won 25 municipalities.

Coparmex President: State Reforms 'Urgently Needed'

PA2010200495 Mexico City Radio Red Network in Spanish 0000 GMT 17 Oct 95

[Report by Antonio Guzman from "The Night Monitor" newscast]

[FBIS Translated Text] According to Carlos Abascal Carranza, president of the Employers Confederation of the Mexican Republic [Coparmex], political decisions undoubtedly have a fundamental impact on economic decisions; therefore, political reforms of the state are urgently needed. The Coparmex president has said that if there is to be any economic certainty, it is essential to find a definite solution to several political issues that are somehow still floating around our country's political environment.

Abascal has said that in order for there to be the much sought after economic stability, it is essential to first ensure political stability, which will only be accomplished in good measure with an overall reform of the state, a process which should and can no longer be delayed.

He added that any state reform is a task in which society as a whole must fully participate, not leaving it solely to the political parties. Let us listen to Abascal Carranza:

[Begin recording] [Abascal] It is impossible for us not to mix political decisions with economic ones, but we also have to acknowledge that political decisions do have a fundamental impact on most if not all economic decisions; therefore, political stability is urgent if we expect to have economic stability. This is what we contend.

[Guzman] Would you request an urgent start of political reforms? Would you....

[Abascal, interrupting] An all-out political reform of the Mexican state regarding issues such as electoral problems, the federation, relations between the state branches, and citizens participation is something that is urgently needed. The country can no longer wait for a process that concerns us all, not only the political parties. [end recording]

Special emphasis has been placed on relations between the state branches, especially relations between the legislature and executive, Abascal Carranza insisted during this interview, which took place during the conclusion of a meeting by Mexico's Commission for Small and Medium Size Businesses.

According to the Coparmex president, the country will continue to confront economic difficulties, and he

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

said insufficient means of payments, limited financial assistance, as well as declining domestic demand will not only continue but deteriorate even more.

From that perspective, Abascal Carranza presented several forecasts such as the GNP declining by 5 percent, that by year's end the exchange rate will settle at 6.9 pesos per U.S. dollar, and that inflation will reach 50 percent.

Based on recent figures released by the Bank of Mexico, the inflation rate will have to increase by 7 percentage points during this last quarter if Abascal's 50 percent inflation rate forecast is to come through.

Workers Confederation Proposes Reforms of Economic Pact

PA2010194295 Mexico City EL FINANCIERO in Spanish 17 Oct 95 p 20

[Report by Edgar Amigon]

[FBIS Translated Text] Today the Confederation of Mexican Workers (CTM) presented to Javier Bonilla, secretary of labor and social welfare, a proposal of reforms of the economic pact that includes programs to recover purchasing power, preserve production infrastructure, establish a new mentality among workers, and improve services at the Mexican Social Security Institute and Infonavit [Institute of the National Fund for Workers Housing].

After meeting with CTM leader Fidel Velasquez and Javier Pineda Serino, Nezahualcoyotl de la Vega, and Abelardo Carrillo, CTM secretaries for labor, economic affairs, and social welfare respectively, the labor secretary said unemployment and low wages are main points in the negotiations.

Moreover, Pineda Serino said employers will not participate in these talks, because it is only a matter of presenting the labor plan to Javier Bonilla.

Without considering the opinion of 37 other member unions of the Labor Congress, CTM leaders said their proposal is based upon a document called "Employment, Wages, and the Need To Reform the Pact," which Senator Juan S. Millan has prepared.

This document proposes an improvement of wage deficiency through a short-, medium-, and long-term policy to guarantee specific programs that "will support wages and allow reactivation of the local market. Certain options include tax credit for wages and wage hikes in line with the companies' capability."

The CTM plan also includes necessary steps to develop a national strategy for training and productivity so as to actually include production sectors and reach all the necessary levels.

It also proposes that the three sides discuss the proposals made by businessmen, labor and farmer unions, and the government itself regarding the most important aspects in economic policy: public expenditures, monetary policy, and tax policy. This mechanism is exclusively one for consultation, dialogue, and discussion between the government and production sectors.

Although this document calls for an urgent 33-percent increase of the minimum wage, CTM leaders did not present this need to Javier Bonilla.

The labor leaders also talked to the labor secretary about a new labor culture, the key objectives of which will include protecting and generating jobs as well as improving workers' standards of living.

With this goal in mind, businessmen and workers will install 11 work tables to discuss such topics as the rights and obligations of managers and workers, how to overcome the obstacles existing in the work place, and how to achieve better levels of productivity, among other aspects.

Concerning the Mexican Social Security Institute [IMSS], the CTM proposed that a commission formed by managers and workers be created to periodically review the work the officials are doing. The CTM also suggested that the government contribute more economic resources to the IMSS, among other points.

As for the Infonavit, the CTM leaders asked that the resources of the Retirement Savings System earmarked for that institution be channeled directly into it.

Court Sentences Ruiz Massieu Murder Accomplices

PA2010134795 Mexico City XEW Television Network in Spanish 0400 GMT 19 Oct 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Miguel Angel Aguirre, secretary of agreements [secretario de acuerdos] in the 12th district penal court, sentenced people implicated in Jose Francisco Ruiz Massieu's murder. Irwin Anthony Dorrego and Jose Martin Ramirez Arauz were sentenced to 18 years in jail. Each was sentenced for premeditated homicide. Maria Eugenia Ramirez Arauz was sentenced to four and a half years of prison for complicity.

Anthony Dorrego, a Government Secretariat photographer assigned to the Presidency, was responsible for disclosing information on places Mr. Ruiz Massieu would be going. Ramirez Arauz was found guilty of guiding the actual homicide perpetrator. Maria Eugenia Ramirez

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Arauz was sentenced for the possession of firearms reserved solely for members of the military.

Secretariat Publishes Measures for Capital Repatriation

PA1910134295 Mexico City XEW Television Network in Spanish 0400 GMT 19 Oct 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Secretariat of Finance and Public Credit today published new measures that will facilitate the repatriation of capital.

In order to stimulate the repatriation of capital so as to contribute to the increase of productive investment in Mexico and the strengthening of the domestic currency, a presidential decree was issued granting various administrative measures regarding income tax that will be applied to deposits or investments that are received in Mexico. In this regard, the Secretariat of Finance and Public Credit announced that individuals who take advantage of this decree will pay income taxes on a 0.5 percent rate; that is, one half of 1 percent of the amount of resources they maintained abroad before 30 September 1995; this will be made conditional upon the amount of resources returning to the country before 31 March 1996.

In case capital are returned to Mexico totally or partially after March, the tax will be estimated by applying the 1 percent rate. The full text of the decree was published this Wednesday in the GACETA OFICIAL.

Nation Signs Declaration Urging UN Reform

PA2410025595 Mexico City NOTIMEX in Spanish 2342 GMT 22 Oct 95

[FBIS Translated Text] New York, 22 Oct [NOTIMEX] — Mexican Foreign Secretary Jose Angel Gurria Trevino said in a news conference today that Mexico and the 15 other countries of the so-called Group of 16 [G-16] today signed a declaration seeking to reform the United Nations. The document is a result of a proposal by Swedish Prime Minister Ingvar Carlsson, within the framework of worldwide international cooperation, that stresses the importance of reforming the UN system in four "critical" areas.

First, the document states that the ability of the United Nations to prevent conflicts and strengthen security should be increased substantially.

"The United Nations should be able to anticipate and prevent crisis, respond more quickly to violent outbreaks, and handle and resolve conflicts efficiently when these occur," states the document.

Second, the declaration specifies that the multilateral economic system should be reformed and that the institution should be strengthened to foster the profitable participation of all countries in worldwide activities.

"The role and directives of the UN bodies in the economic and social areas should be revised and strengthened," the declaration states, in an obvious reference to the International Monetary Fund and the World Bank.

Third, the declaration states that the United Nations should commit itself to working toward a democratic world where each country may determine its future and where human rights and basic freedoms are respected.

Fourth, it states the United Nations should be more efficient, effective, and representative. The document says to do this, it must have the necessary financial resources.

"All member states should make their contributions in full and on time," the document states.

The declaration's proposal originated from Carlsson, who on 27 April wrote to a number of world leaders, including President Ernesto Zedillo, who, in a letter, accepted the invitation to become part of the working group.

Zedillo stated in his letter: "I applaud the emergence of this proposal, which again attests Sweden's foresight and unswerving commitment to encourage the most fruitful understanding between nations."

In the letter dated 26 May, the Mexican president agreed with Carlsson that the world is experiencing uncertain times and facing challenges the results of which are unpredictable.

"That is why it is opportune to begin ample considerations that will lead not only toward establishing agreements between our countries but will generate proposals for change, something which could prove attractive and acceptable to other nations," Zedillo said.

The heads of states and governments who signed the document to be presented on Monday by Carlsson to the UN General Assembly and the UN Secretary General are: [word indistinct], Brazil, Canada, the Ivory Coast, Egypt, Jamaica, Japan, and India, as well as Indonesia, Ireland, Mexico, Holland, the Czech Republic, South Africa, and Sweden. The proposal is being submitted at a moment considered suited for a change in the United Nations, which will be 50 years old on Tuesday, amidst a financial crisis due to a delay in the contributions from a number of member nations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Roundup of Economic Developments Through 23 Oct

PA2410024395

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 23 October.

The construction of houses in Mexico has dropped 95 percent so far in 1995, Mexican Cement Company, Cemex, President Lorenzo Zambrano announced on 16 October. The construction of houses dropped from 300,000 to 20,000. This will affect the ability to meet the yearly demand of 800,000 homes. Only 2.5 percent of the demand will be met this year. (Mexico City LA JORNADA in Spanish 17 Oct 95 p 47)

The San Luis Industrial Corporation has presented a financial statement to the Mexican Securities Exchange, BMV. During the third trimester of 1995, this company registered net sales of 927 million new pesos; that is, 60 percent higher than last year. This company, which produces gold, silver, and vehicle spare parts, became the largest exporter among BMV companies. (Mexico City EL FINANCIERO in Spanish 17 Oct 95 pp 18, 19)

The Alfa Industrial Group has reported revenues of 1.77 billion new pesos during the third trimester of 1995 due to a two-fold increase in exports by its subsidiaries. The company registered accumulated revenues of 14.486 billion new pesos as of September. This company has not been seriously affected by the economic crisis because of its exporting ability. Exports represent 39.4 percent of net sales for this company. (Mexico City EL FINANCIERO in Spanish 17 Oct 95 p 18)

According to a 17 October, Mexico City-datelined item, the National Banking and Securities Commission as of 13 October had rescheduled more than 54 percent of all debts, including those involving credit cards, mortgages, and business loans, as per the Agreement for Immediate Support to Bank Debtors signed on 23 August. This amounted to 114.571 debts. (Mexico City NOTIMEX in Spanish 0322 GMT 18 Oct 95)

An 18 October, Montreal-datelined report states that the official Canadian statistics agency has announced that Mexican exports to Canada in August amounted to $325 million; that is, a 38 percent increase compared to July. According to official figures of the Canadian Customs Office, Canada imported from Mexico about $2.626 billion during the first eight months of 1995. Meanwhile, Canadian exports to Mexico totaled about $56 million in August; that is, a 30 percent increase over July. Canada sold goods for about $514 million to Mexico during the first eight months of the year. (Mexico City NOTIMEX in Spanish 1523 GMT 18 Oct 95)

As reported in an 18 October, Mexico City-datelined item, the prime rate for 28-day Treasury Certificates, Cetes, increased 3.02 percent for the fourth consecutive week, and thus their interest rate was fixed at 41.98 percent, the Bank of Mexico has announced. The bank has also announced that the prime rate for 91-day Cetes also increased 1.95 percent over last week and that their interest rate stands at 42.47 percent. (Mexico City NOTIMEX in Spanish 1525 GMT 18 Oct 95)

Jose Francisco Torres, executive director of the Grupo Nacional Provincial, GNP, has announced that the insurance sector lost 200 million new pesos during the third trimester of 1995 in the area of merchandise transportation as a result of the economic crisis. The GNP, the country's largest insurance company, lost 30 million new pesos for the same reason. (Mexico City EL FINANCIERO in Spanish 18 Oct 95 p 8)

Pemex sources have said the Minatitlan and Salamanca crude oil refineries will require more than 318 million new pesos to reverse the ecological damage caused by those installations. The sources report 1,760 "deficiencies" involving soil, water, air, and noise pollution, as well as industrial safety and risk in the two refineries. Pemex' refining division represents the world's ninth largest plant in terms of crude oil atmospheric distillation and the country's second largest in sales. The enterprise sold 1.4 million barrels of oil daily to the local market in 1994 and $256 million abroad last year and imported $1.112 billion worth of crude oil last year. The enterprise's special taxes on production and services represent 6.7 percent of the public sector's fiscal revenue in 1994. (Mexico City EL FINANCIERO in Spanish 16 Oct 95 p 17)

The National Rural Credit Bank has reported that approximately 126,000 of its debtors, who represent 150,000 loans, have been incorporated into the Agreement for Immediate Support to Bank Debtors [ADE] during the most recent six weeks. These debtors payments are up to date as of 1 September and have already started to receive the benefits of a fixed 25-percent interest rate. Another 17,100 debtors have also been incorporated into ADE after signing letters of intent. (Mexico City EL FINANCIERO in Spanish 16 Oct 95 p 13)

Criticized three years ago for investing in Spain and expanding operations to markets in the middle of recession, Mexican Cement's sales abroad represent 60 percent of its total, and it obtains resources in the international debt and capital markets at rates much lower than those paid by the Mexican Government itself. Cemex Finance Director Gustavo Caballero has said the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

corporation is growing at a rate of 130 percent. (Mexico City EL FINANCIERO in Spanish 16 Oct 95 p 16)

While the creation of fixed capital dropped 26.9 percent and the personal consumption rate shrank by 12.5 percent, the local economy consolidated its exporting sector as the main center of its activities during the first semester this year, according to the most recent National Account System report. During this period, the export of goods and services represented 23.1 percent for an increase of 40.8 percent over last year. (Mexico City LA JORNADA in Spanish 16 Oct 95 p 57)

Private enterprise will contribute more than 50 percent of the 142 billion new pesos required for generating electricity in the next decade. The deputy director of the Federal Electricity Commission has said there are plans to increase the capacity by 13,039 megawatts during the 1995-1996 period. In a different context, economists have said Mexico loses more than $1 billion annually for the unfair sale of steel, cement, glass, brooms, packing materials, and textiles to the United States. (Mexico City LA JORNADA in Spanish 16 Oct 95 p 60)

According to a study conducted by the Labor Congress, the cost of the basic food basket increased by 56.1 percent during the first nine months of the year over the price on 31 December last year. As a result, a worker will need twice his present salary of 540 new pesos monthly to buy the basket. (Mexico City EL FINANCIERO in Spanish 16 Oct 95 p 38)

The banking system's overdue loan portfolio increased from 104.226 to 117.894 billion new pesos, or 13.11 percent, during the third quarter this year. This also represents 16.5 percent of the total credit portfolio. ADE has announced that this line has continued to increase, despite the expected result of the assistance program, because of the economic crisis and the increasing insolvency of private individuals and enterprises. In addition, the provision for credit risks increased from 46.993 billion new pesos in June to 55.519 billion new pesos at the end of September. (Mexico City EL FINANCIERO in Spanish 17 Oct 95 p 4)

The executive director of the Metropolitan Commercial Bank, on announcing its new Model Program for Helping the Public, has announced that Banca Serfin as of September had refinanced the debts of 21,000 clients who had signed letters of intent under ADE for a total of more than 2 billion new pesos. (Mexico City EL FINANCIERO in Spanish 17 Oct 95 p 7)

According to an 18 October, Villahermosa-datelined report, nonpetroleum producers in Tabasco State exported 77,775 tons of products since January, exceeding by 30 percent the amount exported in the same period in 1994. The monthly report of the Commerce Secretariat stated that these exports brought in more than $15.384 million in foreign exchange. The agricultural sector earned the largest amount of foreign exchange, amounting to $9.485 million. (Mexico City NOTIMEX in Spanish 1955 GMT 18 Oct 95)

A study by the economic analysis section of EL FINANCIERO has found that the credit and monetary austerity derived from the adjustment program and the inflation rate have led heads of households to reduce their food expenditures by 18 percent in September compared to August. Expenditures on medicines and housing upkeep also decreased 14 and 15 percent. (Mexico City EL FINANCIERO (ANALISIS supplement) in Spanish 18 Oct 95 p A-3)

The trade balance of processed food and drinks registered a deficit of $259.5 million in the first eight months of the year, a figure that represented an 82 percent annual reduction compared to the same period last year. The weakness of the domestic market due to the decrease in purchasing power reduced the demand for imported food by 30.4 percent from January to August. A study of the economic analysis section of EL FINANCIERO has also indicated that the food sector has been unable to diversify its sales, given that nearly half of its export revenue comes from only a few products: frozen shrimp, beer, vegetables, fruit preserves, and tequila. (Mexico City EL FINANCIERO (ANALISIS supplement) in Spanish 18 Oct 95 p A-3)

The National Council of Foreign Commerce, Conacex, stated on 17 October that the country's trade balance still shows "warning" signs that must be considered, given that 50 percent of the manufacturing industry sectors are still importing more than they produce. It stated that the manufacturing sector indicated a trade balance deficit of $2.226 billion during the first half of the year. (Mexico City LA JORNADA in Spanish 19 Oct 95 p 51)

During the first seven months of 1995, the export of processed food products and beverages indicated the following increase: vegetables and fruit preserves, 12 percent; tequila and other liquors, 8.2 percent; orange juice, 5.3 percent; frozen shrimp, 12.8 percent, beer, 14.7 percent, other products 47.0 percent. The devaluation has stimulated exportation of fresh strawberries, producing an increase of 40.7 percent up to July. Exports during the first seven months generated $1.434 billion while imports registered $1.694 billion, resulting in a trade deficit of $260 million. (Mexico City EL FINANCIERO (ANALISIS supplement) in Spanish 18 Oct 95 p A-20)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico's foreign exchange reserves indicated a net reduction of $1.034 billion between 6-13 October, due to the anticipated payment of the debt in the sum of $783 million from the aid package received from the U.S. Treasury, the Central Bank has said. As of 13 October, international foreign exchange reserves registered $1.758 billion, which is 7 percent less than 6 October when Central Bank foreign exchange reserves totaled $4.792 billion. Treasury Certificates for a 28-day term increased 3.02 percentage points, thus increasing their annual interest rate to 41.98 percent. (Mexico City LA JORNADA in Spanish 18 Oct 95 p 48)

Manfred Hoffmann, director of the Mexican-German Chamber of Commerce (Camexa) [Camara de Comercio Mexicana Alemana], has announced that German investments in Mexico were reactivated after being at a standstill during the first six months of the year, as a result of a crisis between German businessmen, but the crisis did not prompt a flight of German currency from Mexico. On the contrary, Germany ranked third among investors, with $2.6 billion in investments by the end of 1994. (Mexico City LA JORNADA in Spanish 18 Oct 95 p 50)

Jorge Eduardo Navarrete, under secretary of Energy for Hydrocarbons, has said Mexico has proven oil reserves for 40 years, thus being "one of the highest indicators worldwide," a point which allows for "a very reasonable security margin for the country." Navarrete has announced two initiatives to save energy: daylight saving time will be established in the country—clocks will be moved ahead one hour—in 1996 and a draft bill on energy efficiency will be drafted. The under secretary also gave other interesting figures before the Chamber of Deputies as follows: The CFE ¡Federal Electricity Commission] generates 95 percent of electricity; the Central Light and Power Company (CLFC) [Compania de Luz y Fuerza del Centro], only 5 percent; the CFE distributes 80 percent of electricity and the CLFC the remaining 20 percent. (Mexico City LA JORNADA in Spanish 19 Oct 95 p 53)

The Labor and Social Welfare Secretariat (STPS) has announced that Mexico's economic crisis has resulted in constant modifications to collective bargaining contracts. Agreements to reform contracts in large- and medium-size companies increased 111.6 percent over the past eight months, the secretariat has announced. The STPS has also stated that the minimum wage suffered a 10.6 percent drop during the first six months of 1995. From December 1995 to August 1996, unions presented 5,882 strike threats, of which 88 were carried out. The number of workers involved in the strikes was 10,865, resulting in a manpower loss of 476 days. (Mexico City LA JORNADA in Spanish 19 Oct 95 pp 64, 16)

The National Iron and Steel Company (Sidena) was declared bankrupt by the First Civil Court of the Apan Judicial District, for debts exceeding $300 million new pesos. This action will represent its salvation and secure the jobs of 1,500 workers. Sold by the government on 19 March 1991 for 42.042 billion old pesos, it serves as an example that the Salinas parastate privatizations were not successful. (Mexico City EL FINANCIERO in Spanish 19 Oct 95 p 12)

The National Bank of Public Works and Services, Corp. (Banobras) program of restructuring debts with states and municipalities to date reports 94 percent completion of the restructurable portfolio. The 6 percent which remains to be restructured and which is under analysis corresponds to the states of Chiapas, Oaxaca, Tabasco, and part of Baja California and Colima. During the bank session for the month of October, chaired by Finance Secretary Guillermo Ortiz, a credit package was approved for 665.6 million new pesos to finance potable waterworks, sewerages, and sanitation programs in the metropolitan zone of the city of Puebla. (Mexico City EL FINANCIERO in Spanish 19 Oct 95 p 8)

A 20 October, Mexico City-datelined report states that Sonora State is the leading national producer of gold, copper, baryta, molybdenum, and graphite, with 438,427 tons a year. A communique issued by the local government has stated that Sonora has registered annual profits from mineral exports totaling $310 million, $68 million more than in 1991. The report adds that the state's mineral resources total 88.9 million tons of gold-silver, 6.348 billion tons of copper-molybdenum, 5.9 million tons of baryta, and 3.8 million tons of graphite. (Mexico City NOTIMEX in Spanish 2037 GMT 20 Oct 95)

The National Institute of Statistics, Geography and Information Science, Inegi, has reported that retail sales in the country have experienced an average accumulated annual drop of 19.6 percent during the first eight months of the year, while wholesales dropped 15.5 percent. (Mexico City LA JORNADA in Spanish 19 Oct 95 p 54)

The balance of the overdue portfolio of the commercial banking sector by the end of the third quarter amounted to 103.047 billion pesos, 16.84 percent of the total credit portfolio of those financial institutions. This reflects a 3 percent increase between July and September, compared to the amount registered by the second quarter. (Mexico City LA JORNADA in Spanish 20 Oct 95 p 52)

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Secretariat of Finance and Public Credit (SHCP) has reported that the accumulated surplus in Mexico's trade balance between January and September reached $5.394 billion. The balance in September was favorable and amounted to $904 million. These results contrast with the deficit of $13.642 billion during the first nine months of 1994 and the $532 million commercial deficit registered in September 1994. The SHCP has announced that September exports totaled $8.998 billion, 39 percent more than during September 1994. Total exports for the first three quarters of the year accumulated to $58.509 billion, a 33.3 percent increase compared to the same period last year. Imports in September totaled $6.094 billion, reflecting a 7.2 percent drop compared to September 1994. Accumulated imports from January to September this year totaled $53.115 billion, a 7.7 increase over the same period last year. (Mexico City EL FINANCIERO in Spanish 20 Oct 95 p 20)

Bank of Mexico Governor Miguel Mancera has categorically denied authorities are trying to impose controls on banks' fluctuating interest rates. (Mexico City EL FINANCIERO in Spanish 20 Oct 95 p 7)

Mexican Petroleum [Pemex] and the Federal Electricity Commission directors have signed a $400 million agreement on the supply of natural gas used to generate energy in thermoelectric plants. Pemex will supply approximately 450 million cubic feet of gas per day. (Mexico City EL FINANCIERO in Spanish 20 Oct 95 p 250)

Pemex has announced that Mexico will lose $135 million due to the fall of oil exports, while imports of natural gas increased 600 million cubic feet as a result of the damage caused by Hurricane Roxanne in Campeche, where production fell 90 percent. (Mexico City EL FINANCIERO in Spanish 20 Oct 95 p 10)

Victor Manuel Diaz Romero, president of the Confederation of Industrial Associations, has said Mexico's productive sector is collapsing with bankruptcies reported every day. Gonzales Quintero, president of the Confederation of National Chambers of Commerce, has said the small- and micro—size companies will be unable to give Christmas bonuses to their employees. Salvador Lopez, president of the Mexico City National Chamber of Commerce, has said sales have dropped 23 percent due to the crisis. Labor Congress President Rafael Rivapalacios Pontones has said salary increases should be 4 percentage points above the estimated 1996 inflation rate; that is, 24 percent. (Mexico City EL FINANCIERO in Spanish 20 Oct 95 p 19)

A 21 October, Mexico City-datelined report states that Communications and Transportation Secretary Carlos Ruiz has inaugurated the Alcatel-Indetel Operations Center, which will employ 2,000 workers. Twelve companies have participated in the development of the telecommunications center with an initial investment of $100 million. An additional $300 million will be invested over a three-year period. (Mexico City NOTIMEX in Spanish 0312 GMT 21 Oct 95)

Zedillo Commitment to Democracy Questioned

96CA0026A Mexico City LA JORNADA in Spanish 18 Oct 95

[Commentary by Sergio Aguayo Quezada, president of the Mexican Human Rights Academy: "A Democratic Zedillo?"; received via Internet]

[FBIS Translated Text] President Ernesto Zedillo has discovered the virtues of posing abroad as a promoter of democracy. In Bariloche, Argentina, he proposed "educating for democracy," and he will certainly include similar ideas on his imminent visit to New York (this time he will go to the United Nations).

This vein of discourse appears to be linked to one of the most predictable seasonal events: Every six years, the most influential newspapers in the United States join the chorus of government officials and academics in declaring that the current president is a reformer hampered by obstructive forces. On this occasion, it was an editorial in THE NEW YORK TIMES (11 October) that let loose with the assertion that President Zedillo "has demonstrated more commitment to political reform than any recent Mexican leader, but he has run into strong opposition within his own party."

The president's rhetoric and the optimism shown by much of the U.S. elite raise two questions: Is President Zedillo really committed to democracy? If not, why do the Americans so easily award diplomas for good democratic conduct to Mexican leaders? One obstacle immediately springs up: There is not enough information on the personality or the history of Citizen Ernesto Zedillo. We have gossip, and we have official or semiofficial propaganda, but we do not know the extent or the nature of his tolerance and respect for others, which are indispensable ingredients in a democratic personality. The only thing we can say is that he appears to be democratic, and that it is possible he has good intentions. The way to go is to review what he has done and not done on matters that are generally used as litmus tests for true reform.

One oft-cited factor is the president's appointment of an attorney general from the National Action Party (PAN). That supposedly shows that, although there is not yet any alternation of parties (essential to any political reform), at least there is an intention of going in that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

direction, and he has started with the cabinet. I do not dispute the decency of Mr. Antonio Lozano, but the fact is that it is hard to see much difference between him and his predecessors.

Mention is also made of the fact that in his first year in office, Zedillo accepted the defeat of the PRI [Institutional Revolutionary Party] in Jalisco, Guanajuato, and Baja California. Although he has "respected" a few opposition victories, he has also impassively witnessed elections plagued with irregularities in Tabasco, Yucatan, and now in Chiapas.

The president appears to be tolerant and well-intentioned, and he is certainly more discreet than Salinas, but history has shown that it is better to wait and look at his accomplishments. Remember Miguel de la Madrid, who loosened the controls and thus allowed the National Action Party to win elections in several cities in 1983, only to lapse the following year into the old bad habits, renamed "patriotic fraud." Carlos Salinas had a good attitude toward the PAN during his entire term of office, but he had an obsessive grudge against the Party of the Democratic Revolution (PRD). The disavowal of one and the selectivity of the other cast doubt on the authenticity of the democratic credentials that these presidents were awarded in their time by the U.S. press.

Getting back to Ernesto Zedillo, there has not yet been any electoral reform, and the scandal in Tabasco has not been cleared up. Nor have we seen many of the characteristics of true political reform. He also said in Argentina that one should teach democracy by example. Our president could start just about anywhere: It occurs to me that he could tell us how much he makes as president and how much the Office of the President of the Republic spends. That voluntary limitation of presidential powers would send a signal that he is personally committed to democratic reform.

Moving on to the other issue, if Zedillo is awarded democratic diplomas by THE NEW YORK TIMES, it is not because of what he has done, but because of what he says he will do, which is rather absurd. It is as if a school of medicine granted its first-year students a degree in medicine on condition that they pledge to pass all their exams and fulfill all the requirements over the next six years.

But it is not naivete or ignorance that drives the Americans to make these groundless assertions. Their optimism stems from the fact that it is in their interest to keep the PRI in power because they think that without it, Mexico would be unstable. With that diagnosis, they are willing to continue supporting an authoritarian government. Since they cannot do so openly because they must reconcile their actions with their self-image as champions of democracy, they resort to a number of mechanisms that allow them to adjust reality to suit their needs. I will cite an example.

The above-mentioned editorial declares that Zedillo "has run into strong opposition within his own party." That reasoning has been used with every president since Miguel Aleman, and it allows them to separate the president from the system. In this way, they can praise the presidents who claim to be against fraud and condemn the party bosses who commit fraud, which conveniently avoids any recognition of who benefits from it (just like those who insist on attributing some of the president's actions to the fact that he is "misinformed").

On this occasion, there was a twist in the script: The president himself, whether by accident or design, corrected the newspaper when, before boarding the plane to return to Mexico, he stated that he "has no evidence that the PRI has been an obstacle to political reform." This gives rise to an unfathomable mystery: If Ernesto Zedillo is a democrat, if the PRI does not oppose government reform, if there is a consensus on it in the opposition and in society, if Washington wants it as well, then who is opposed to it? That could be a task for the editorialists of THE NEW YORK TIMES, who have proven that they have an excellent imagination.

Possible Ortiz Arana 'Emergency' Role Seen

96CA0024A Mexico City REFORMA in Spanish 18 Oct 95

["Public Square" Commentary by Miguel Angel Granados Chapa, journalist and citizen counselor on the Federal Electoral Institute's General Council: "Fernando Ortiz Arana"; received via Internet]

[FBIS Translated Text] Senator Fernando Ortiz Arana has slowly but surely found himself at the center of the political stage. It could be said, without a stretch of the imagination, that an attempt is being made to build him up as a political backup within PRI [Institutional Revolutionary Party], with an eye toward possible future developments. It remains to be seen whether the operation that we are witnessing is his alone, for his own purposes, or whether the Queretaro senator is the central figure in an initiative by others, the old political class, for example, which, annoyed by the president's bewilderment and the consequences of his policies, is taking precautions to deal with the immediate future.

Institutionally speaking, Ortiz Arana is a powerful politician. He heads the PRI majority in the Senate and rules the chamber with the consent of the two

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

other senatorial blocs. His time in the first Assembly of Representatives and in the Chamber of Deputies, also as a congressional leader, not only gave him a chance to prove his skills as a consensus-builder, because true pluralism had come to those bodies (as is now happening in the Senate), but also enabled him to build firm ties to like-minded politicians (not to say ones belonging to his group) who now hold positions of responsibilities and power. Examples are the national president of PRI, Santiago Onate, and the attorney general for the Federal District, Jose Antonio Gonzalez Fernandez, to mention just two prominent ones, although the list could grow.

Although constitutionally neither chamber is predominant, their actual political roles are hardly on a par, depending as they do on the quality and skills of their leaders. One could say that the main tasks and the initiative in congressional policy are concentrated today in the Senate. In contrast to the past, when only the secretary of foreign relations would go to the "casona de Xicotencatl" [a reference to the Senate chambers] because the law so provided, this time the appearances by the members of the cabinet after the president's 1 September message were equally divided (or almost so) between the two legislative seats. On the other hand, it was in the Senate, not in San Lazaro, that the seven chiefs of congressional blocs (four from deputies and three from the Senate) met to give a congressional push to the political reform of the state at a time when the dialogue between the parties seemed to be hopelessly bogged down.

Coincidence, or else Ortiz Arana's sense of political timing and the occasion, is also helping to build his image. On 19 September, when the three legislative bodies opened their sessions, each observed a minute of silence. The deputies did so in memory of their colleague Manuel Marcue Pardinas, who had passed away a few days before. The members of the Assembly recalled the victims of the earthquake 10 years ago. And the Senate dedicated its moment of silence to the military pilots who died on 16 September. The high commands of National Defense must have taken careful note of this exceptional event, attributing it to the "republican loyalty" of that chamber and its leader.

The president of PRI for 15 months (March 1993 to May 1994), Ortiz Arana held the post when the party's presidential candidate, Luis Donaldo Colosio, was assassinated, and his name was among those mentioned as a replacement. The fact that he was not chosen is attributed to his own activism or that of his close colleagues. For this very reason he did not hesitate to depart as PRI leader, but the incipient Zedillo faction, which at the very least felt uncomfortable because its cause would have been thwarted if Ortiz Arana's bold move had been successful, was unable to prevent his congressional experience from dictating his appointment as PRI majority leader in the Senate.

Why is the figure of Ortiz Arana presumably growing? In the near term, owing to the need for an experienced political presence. It was hoped that Interior (Gobernacion) Secretary Emilio Chuayfett would fill this role, given his dramatic arrival in the Interior Ministry and his electoral and governmental experience. But his political capital has eroded at a pace inversely proportional to the sluggishness of his efforts to make the parties resume the national dialogue. And although his jab at Manuel Camacho may have made him famous as a speller, he did not come out looking too good as a consensus-builder, which is what can be expected today from someone in his high position of responsibility.

This is why the political class is looking to Ortiz Arana today or why Ortiz Arana is catching their eye with his high-profile efforts and appearances, furthered by the Queretaro senator's deft handling of the press, where he is often mentioned in the political news section, and where reporting and paid propaganda mix.

But why would a prominent figure need to be developed as a political backup? Because of what might happen, even in the short run. The possibility of an emergency in government is indeed floating in the air. No one will admit it in public, but the political class, which is accustomed to repeating the president's watchwords, not to thinking for itself, is still obviously worried about the immediate future. Such concern is not, of course, limited to politicians. The topic of the lecture that Erick Guerrero Rosas, the financial adviser of Azteca Television, will give next Tuesday is illustrative of the widespread concern. In announcing it, he asked whether the dollar will be worth 10 pesos and whether there will be a sudden devaluation in December or whether these are just rumors.

A monetary development of that magnitude just a year after the devaluation at the start of the six-year term would make it impossible for the government to implement a new plan of action; what is more, it would leave it bereft of reasonable explanations. We would then have a political emergency requiring new principal players. The leader of the Senate seemingly wants to be ready for that eventuality.

Queretaro Senator Fernando Ortiz Arana, the leader of the "casona de Xicotencatl," has concentrated the political initiatives of Congress in his chamber, as demonstrated by the meeting among the chiefs of the seven legislative groups to spur political reform.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Camacho Departure From PRI Analyzed

95CA0023A Mexico City REFORMA in Spanish 16 Oct 95

[Commentary by Juan Molinar Horcasitas, researcher at the National Autonomous University of Mexico's Social Research Institute: "Finishing Up and Starting Over"; received via Internet]

[FBIS Translated Text] "I am no longer in PRI [Institutional Revolutionary Party]."

This is the clearest, most unequivocal paragraph that Manuel Camacho has written in some time. The decision that he announced in this one-line paragraph will be more important than Camacho's detractors are willing to admit but less momentous than some of his sympathizers probably assume.

Those who minimize its importance are forgetting that Camacho's departure is not an isolated incident at this juncture in PRI's history. Rather, it is one more sign of erosion in the ruling party, which is losing cohesiveness for several reasons: its authoritarianism, under which discipline is the only rule for participation; the policies of the government that represents it, as it fails to reward its rank and file; and the results of these policies, which for the last three decades have caused Mexico to fall further and further behind in the race for development.

At the other extreme, if anyone thinks that Manuel Camacho's arrival in the opposition camp is going to be a triumphal procession, he is wrong, inasmuch as Camacho will soon discover what he has already begun to see: that in the opposition camp things are more difficult; resources are scarcer; and it is not easy to pick a fight with a party that has the government's resources at its disposal.

Camacho will find his efforts in the opposition even more difficult because in addition to the attacks that PRI will level at him, he will also encounter resistance within the opposition camp that he has just joined. Many of his former comrades will attack him virulently because they need to show their own ranks that desertion does not pay. His new comrades will look on him with suspicion because many of them feel that Manuel Camacho needs to start establishing his democratic credentials, inasmuch as the reformist efforts that Camacho undertook when he was on the regime's side (and which caused him so many problems with his former comrades) are of little value in the opposition. Manuel Camacho was an unorthodox member of PRI in the eyes of the PRI officials who won the succession battle, but he was an orthodox PRI member, who played according to his party's rules until the end, in the eyes of much of the opposition. Such is the fate of dissidents, and Manuel Camacho will not be able to avoid it.

Camacho's departure from PRI and entry into the opposition camp marks the end of an era for him. Perhaps this is why he seemed "euphoric" to some of the reporters who were there when he announced his departure. But the hardest part will be starting over, not finishing up. As soon as the dust from his announcement settles, and that will be soon, Manuel Camacho will have to decide where and with whom to continue his career. His departure has created new adversaries for him—the members of PRI—but has not yet provided him with new comrades. He will gain them when he indicates clearly with whom and how he chooses to carry on.

The first decision that he will have to make concerns the type of organization in which he will be active, inasmuch as politics cannot be practiced without the protection of an organization, without some mechanism to coordinate collective action. What will he choose, a party or a nonpartisan organization? In these times, when nonpartisan political organizations have proliferated, Camacho backers will probably be inclined to try this tack, especially because they already have their own organization, the Development and Democracy Foundation. That would be a mistake. In exchange for the autonomy that a nonpartisan organization would give them, they would wind up incurring the mistrust and eventually the overt animosity of the existing parties.

If, on the contrary, they decide to operate within a party organization, they will have another choice to make: try to establish their own party or join some of the groups and well-known figures that have been planning something of the sort, or else join one of the existing parties.

In either case he will encounter difficulties. Creating a new party would be the toughest course and perhaps the least desirable from the standpoint of the explicit objectives that Camacho has set for himself, that is to say, the democratic reform of the Mexican political system. I think that these objectives entail strengthening, not weakening, the existing parties.

No matter what decision Camacho makes in this regard, he must realize that he will be laboring under the burden of his own well-known aspirations. Many of the problems that Camacho encountered in his political career over the past two years were due to the fact that he wanted to be president of the republic and was unable to secure the PRI nomination. Today, everyone will wonder whether he still wants to be president, since his new comrades will behave one way if they think

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that Camacho will seek a presidential nomination and another if they think that he will not.

Camacho's presidential aspirations could be consistent with the strategies of certain parties that, lacking their own political heavyweights, tend to offer their nominations to nationally known figures. But this will not be the case within the larger parties, in which the groups that will be trying to secure the nominations for the major elected posts have already started taking shape. In these parties Manuel Camacho's presidential ambitions could turn out to be awkward, irksome baggage. Camacho will have to declare his intentions soon.

The other problems that Manuel Camacho will no doubt face in his new political situation have to do with the stands he may take. Manuel Camacho and the members of his team will have to be careful not to lapse into the fervor that is typical of converts. A convert tends to be fiercest in combat, most radical in criticizing an adversary's proposals, and most daring in planning strategy. A convert, in short, tends to give and demand constant shows of loyalty to the new cause, and few things irritate long-time members of the opposition more than such an attitude.

To summarize, now that he is starting over, Camacho will have to be straightforward and prompt in making the decisions that will establish his own space and mission in the opposition camp that he has chosen to join. If he gets it right, he will play a major role in this effort today. If he blunders, he will become a footnote in some monograph on Mexican politics during these years. Let us hope that he gets it right.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

El Salvador

Finance Minister Rules Out Recession, Admits Slowdown

PA2110182095 San Salvador LA PRENSA GRAFICA in Spanish 18 Oct 95 p 15A

[Interview with Finance Minister Manuel Enrique Hinds by economic editor Enilson Solano; place and date not given; "Economy Beginning To Slow Down"]

[FBIS Translated Excerpt] Amid allegations that the government has slowed the economy, restricted credit for the productive sector within the financial system, and struggled with inflation that will apparently fail to reach the single-digit annual goal, the finance minister calmly braved the criticism with a glass of Coca Cola, and contends that the restrictive measures are still necessary and that the so-called recession does not exist.

Manuel Enrique Hinds does acknowledge that the economy is slowing down, but does not openly admit any direct government responsibility. Is someone responsible for this slowdown in the growth rate? With respect to poor sales, the minister says that the inadequate results are due to the price policy that some businessmen have handled in a very particular manner following the implementation of a 13-percent VAT [value-added tax].

Is the government in any way responsible? The minister answered LA PRENSA GRAFICA's questions in the following manner:

[LA PRENSA GRAFICA] Why do you contend that there is no recession?

[Hinds] All the indicators at our disposal are showing that what we are having is not a recession but an economic slowdown. We can corroborate this by examining VAT figures. Revenue collection during the month of August amounted to 366 million colones (reflecting operations during the month of July) which shows a decline, but September increased to normal levels (410 million colones), which is an primary indication. During this month we expect a more significant recovery.

In addition, the highest VAT revenue collection during the months of June and July (405 and 441 million respectively) came about due to a speculative bubble caused by advance purchases.

[LA PRENSA GRAFICA] According to you, revenue collected from the VAT is evidence that sales are more or less equal to previous years.

[Hinds] Exactly.

[LA PRENSA GRAFICA] In your opinion, what has caused the economic slowdown?

[Hinds] The most directly responsible cause for the slowdown has to do with the inventory cycle, another is coffee retention, and a fall in cyclical sales during this time of the year.

Coffee retention causes us to lose a significant portion of export revenues. With respect to inventories, following the increase in the VAT businessmen began stockpiling goods which they have been unable to sell. In addition, we should not forget that sales also dropped due to the heavy rains.

[LA PRENSA GRAFICA] Is anyone in El Salvador undergoing a recession?

[Hinds] We have been able to identify a sector that may be undergoing a growth rate decline, the construction sector. We have been able to witness an upward adjustment in land prices. In addition, houses costing more than a 1 million colones are confronting sales problems, since they are not being sold. We had already detected this trend.

[LA PRENSA GRAFICA] Then why are businessmen complaining about business problems?

[Hinds] It is a problem of liquidity in view of the fact they borrowed a lot of money at one point and now sales are not what they forecast due to the stockpiling phenomenon. They will continue to confront problems until they can get rid of their inventories. In every country in the world firms confronting this same type of problem tend to solve it by cutting prices.

[LA PRENSA GRAFICA] Should not the government adjust?

[Hinds] The government's responsibility lies in not allowing loans to increase too much. Currently we are not confronting any macroeconomic problems. In part this is so because we followed what the Chamber of Commerce suggested: restricting current expenditures. We have forecast that current savings this year will be somewhere between 1.6 and 1.7 billion colones.

[LA PRENSA GRAFICA] It is really a point of honor for the government to cut the annual inflation rate to one digit?

[Hinds] To us the point of honor is not the rate between January and December. It makes no sense, because in the middle we have the VAT. What is a point of honor to the government is maintaining the inflation rate at close to 7 percent.

[LA PRENSA GRAFICA] The Chamber of Commerce argues that inflation is manageable and that therefore monetary policies restricting credit are no longer needed. Why does the government not ease up?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Hinds] We have to be very careful with this issue, because if we adopt a liberal stance we could be confronting a very uncomfortable situation. We would rather take on the price instability caused by inventory stockpiling and continue with a prudent policy until the end of the year.

[LA PRENSA GRAFICA] Why do you still justify credit restrictions in the financial system?

[Hinds] In order not to allow more inflation. [passage omitted]

Poll: People's Main Concerns Unemployment, Cost of Living

PA2110143995 San Salvador EL DIARIO DE HOY in Spanish 18 Oct 95 p 2

[FBIS Translated Text] A survey by CID-Gallup, a company specializing in conducting opinion surveys, conducted in the last two weeks of September, shows that unemployment is now in first place on the list of concerns worrying the typical Salvadoran, followed by the high cost of living.

These conclusions coincide with the opinions recently voiced by prominent opinion leaders, including San Salvador Archbishop Monsignor Fernando Saenz Lacalle, who, in his usual Sunday conference, said that, although a reduction in the numbers of people employed by the state is necessary, it must be done in such a manner so as to not trigger unemployment.

Regarding the cost of living, acting President Dr. Enrique Borgo Bustamante on 17 October publicly admitted that the inflation rate will remain in two digits this year, which economic analysts say implies an official recognition that the cost of living has increased, as compared to the single-digit inflationary figures recorded in late 1994.

The change of priorities of those polled is significant. In February, Gallup identified crime and violence as the people's first concern. In September, this concern has dropped to third place.

Government Administration

Even though it still reports negative figures, as compared to the previous poll, Salvadorans are accepting and getting used to the work of President Armando Calderon Sol's administration.

The result shows that President Calderon Sol has increased his presidential performance by 16 points, as compared to June 1995. Likewise, it was pointed out that "nowadays, more people believe that the country is on the right track, as compared to the first months of the year." Almost one half of the people polled, 47 percent, believe that the government is "neither good nor bad." In addition, only 21 percent of them believe it is doing its work "well."

In general terms, the popularity rate of the Calderon Sol administration increased as compared to the February and June 1995 polls, thus decreasing the negative rate recorded in early 1995.

Most Salvadorans believe that there is the same or more corruption than in previous governments. They do not believe the Calderon Sol government is making major efforts to diminish corruption.

As far as the international arena is concerned, most people polled think that it is not advisable to establish commercial or diplomatic ties with Cuba at this time. Likewise, there is a public perception that the United States is intervening in Salvadoran politics. One out of three Salvadorans believes that this country "interferes a great deal" in El Salvador's internal affairs.

Levels of Popularity

Among the most popular political figures, former President Alfredo Cristiani came in first place, followed by the current executive branch chief, Armando Calderon Sol; Ruben Zamora; and Mario Valiente.

According to the poll, a little over a year after former President Cristiani had started his administration, he was more popular than Calderon Sol currently is, considering a similar period of time.

In 1990, a typical Salvadoran accepted the efforts his president was making to curb violence and stop the war in his country. This situation made Cristiani obtain low levels of unpopularity during his administration; therefore, his popularity rating was relatively high.

Arena [Nationalist Republican Alliance] garnered 50 percent of sympathizers six years ago; nowadays, it attracts 29 percent of those over 18. It lost 2 percentage points as compared to a year ago and 11 percentage points as compared to June 1995, when 40 percent of people were in their ranks. The FMLN [Farabundo Marti National Liberation Front] kept its followers, while the PDC [Christian Democratic Party] has gained six points in the last 12 months.

However, a high percentage of Salvadorans, 43 percent of the sample of 1,234 people, said they do not follow any political party. This shows the growing number of people who are not pleased with the current political leadership and the ideological orientation, believed to be inconsistent and undefined, of most existing and forming political parties.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Catholic Church is the institution that has the most credibility in the country, followed by the executive branch and the media.

Cuban Vice Minister Views Bilateral Trade

PA2010210895 El Salvador LA PRENSA GRAFICA in Spanish 18 Oct 95 p 17A

[Report by Xiomara de Ochoa]

[FBIS Translated Text] Following their participation in the Havana International Fair a couple of years ago, some Salvadoran businessmen initiated commercial contact with Cuba. Exports of a number of products to Cuba continue. Two months ago, a group of businessmen flew to Cuba to identify the needs and specific niches in which they could compete.

The lack of information regarding trade in Cuba still inhibits Salvadoran businessmen. Products such as Hilasal towels, St. Jack's knitted clothes, La Constancia beer, Boquita snacks, Lancasco Laboratories, Petit Products, Salvaplastic, Provocaciones lingerie, Orisol Oil, and other products, have already entered Cuba.

Orlando Hernandez, Cuban foreign trade deputy minister, is leading his country's delegation to the 31st Group of Latin American and Caribbean Sugar Exporting Countries [GEPLACEA] Plenary Assembly and in an interview with PANORAMA ECONOMICO said that although he had no plans to meet with Salvadoran businessmen, he would not refuse to do so.

Hernandez said that Cuba's new policies guarantee the motivation and growth of the economy.

[LA PRENSA GRAFICA] The new policies adopted by the Cuban Government are fostering foreign investments. What possibilities for investments or trade are open to Latin American nations?

[Hernandez] Actually, since the ties with the Soviet Union were interrupted and since our foreign trade has been reoriented, from a point of view of its geographic flow, we have been fostering a process of accelerated rapprochement with all Latin American countries.

I should first state that Cuba was always very clear in that its final integration would be with this continent. Even when we formed part of the integration scheme of the socialist countries [under the Mutual Economic Aid Council], we recognized that we would definitely integrate with Latin America. However, Latin America's share in Cuba's trade was residual. It was minimal.

Beginning in the year 1990-1991, Latin America's importance in the trade with Cuba began to grow. Today, almost 40 percent of Cuba's foreign trade is carried out with Latin American countries, and although it is not a number which satisfies us, we believe that there is room for growth, above all in absolute figures, more than in relative terms.

On the other hand, we believe that it is an insignificant figure, because even countries which are planning regional integration do not have the level of trade with Latin America which we have. That is due to the Cuba's efforts and commitment to strengthen its ties with Latin America, which are evidently giving results.

Today, countries which do not trade with Cuba are an exception. Practically every country in the American continent, in one way or another, have some sort of trade with Cuba, this includes El Salvador.

[LA PRENSA GRAFICA] What areas have you identified as being more timely for trade relations with Latin America, especially with El Salvador?

[Hernandez] Cuban exports to Latin America are mainly cement, construction materials, medicines, and high technology products [last year Cuba exported over $100 million to Latin America].

From Central America we have been receiving products for tourism, because that sector has the center of dynamic growth in Cuba and our national industry is not able to supply the sector. That is why we have resorted to importing consumer products for tourism.

We also import food products such as maize, rice, beans. We believe this could be incorporated within a possible trade infrastructure with Central America. Government organizations, and then the private sector, must conduct research to be able to determine the trade potential between the two countries.

[LA PRENSA GRAFICA] Has contact been established between Salvadoran businessmen and the Cuban Government to determine in which areas they may invest?

[Hernandez] Contact to develop a trade relationship is only the beginning. Trading partners should recognize, identify, and know the way each partner does business, know the each one's characteristics, and develop a trade relationship upon this basis.

The first contacts have already been made since trade missions from El Salvador have visited Cuba. It is likely that some Cuban businessmen have also visited El Salvador. However, this process that now begins will not bear fruit until four, five, or six months later.

[LA PRENSA GRAFICA] What opportunities do you have to offer for foreign investments?

[Hernandez] Salvadorans have the same investment possibilities as do hundreds of businessmen who have al-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ready invested, done business, and established enterprises in Cuba.

That is to say that the law... [ellipses as received] Cuba's previous Decree-Law 50 on investments and the new investment law that was recently approved (in September) do not discriminate at all. To the contrary, we would gladly accept investments and foreign capital from this region, particularly from El Salvador.

All depends if Salvadoran and Cuban businessmen identify the areas for a joint enterprise, a joint investment, or even a 100-percent investment of Salvadoran capital. Joint investment needs not to be with the Cuban Government, but it can be done rather with businessmen.

[LA PRENSA GRAFICA] Regarding trade, are there any import restrictions?

[Hernandez] Exports to Cuba can be done in any sector as required, either through bids or purchases. Salvadoran businessmen can take advantage of this opportunity if they have the right product and quality or meet the necessary requirements.

Both countries are WTO members. Therefore, the trade systems we mutually apply cannot discriminate one another.

We are currently engaged in a new commitment with the Association of Caribbean States [ACS], of which both countries are members. The ACS has as its ambition to integrate all the countries in this region, a process which, beyond the WTO's own guidelines and standards, will now promote special conditions for developing regional trade and will give preferential treatment to all regional products.

To the extent that we make progress within this organization, both countries will have the necessary conditions to increase our business, cultural, tourism, and investment relations.

Calderon Sol Discusses Bariloche Summit

PA2210142895 San Salvador Radio Nacional de El Salvador Network in Spanish 1800 GMT 19 Oct 95

[News conference by President Armando Calderon Sol upon arriving from the Ibero-American Summit in Bariloche, Argentina, on 19 October 1995; with identified reporters and unidentified moderator; place not given — recorded]

[FBIS Translated Excerpt] [Calderon Sol] [Passage omitted] Some countries wished to condemn the United States for the economic embargo imposed on Cuba. As you know, Commander Fidel Castro attended the Bariloche meeting. El Salvador stuck to the position that it is impossible to condemn the United States because we would also have to condemn Cuba for violating the human rights and the lack of democracy and political openness in the island. We also spoke about a list of political prisoners in Cuba and asked and demanded, on behalf of Cuban exiles, an amnesty law for political prisoners in Havana. This remark did not interfere with political affairs or Cuba or the United States because, while the United States decides with which country it will trade, the rest of Ibero-America trades with Cuba.

In addition, this was not the proper forum to discuss whether or not the United States can or should not trade with such and such a country. Each country trades with whichever country it wishes.

In this regard, we also attained a victory because El Salvador's position was supported by Panama, a country that has been an old friend of and traded with Cuba for a long time. This gave Panama greater authority to tell Cuba that it could not back Cuba in this instance, because the issue was not included in the summit, and there was no reason to impose an embargo. Furthermore, the embargo was a unilateral U.S. decision.

We were backed on Cuba and vehemently by a true democrat, a man whose fame has spread in world political circles. We mean Mario Soares, International Socialist leader and president of Portugal, who clearly backed the Salvadoran and Peruvian positions and invited Cuban President Castro to make changes in his country. Soares clearly told Castro that those were not precisely the ideals of that courageous, combative, and heroic young man who came down from Sierra Maestra. I think the way President Soares, a man of high moral authority, who we all know has been victimized and has been a political prisoner more than 15 times, a man who transformed Portugal into a democracy, spoke to Castro so clearly and specifically in the debate was demolishing.

No resolution was issued as proposed thanks to the debate initiated by El Salvador. I think this is consistent with what the Salvadoran people defend, want, and maintain because the people favor the freedom and democracy of the Cuban and Salvadoran peoples. [passage omitted]

[Moderator] Due to time constraints and out of respect to yourselves, we request that you ask only one question at a time. David Barraza, NBC.

[Barraza] Good day, Mr. President. After you met with the Mexican president, how close is El Salvador to reaching a free trade agreement with Mexico?

[Calderon Sol] I held a bilateral meeting with President Zedillo precisely on this topic, and we spoke of the negotiations taking place with Mexico. Negotiations are

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

a bit drawn out, and we see a need to expedite and hurry them. Remember too that Mexico has a very big and large-scale economy that can jeopardize our industries and can also endanger Salvadoran industrialists and jeopardize new jobs in El Salvador, which is a matter of concern among many sectors.

We are negotiating item by item with a negotiating team. We have agreed that this will be expedited, but taking into consideration all these reservations in view of the fact that El Salvador and Mexico have some very similar industries that could affect our country very much, which is something we do not want. To the contrary, we want true trade.

We want the trade balance between Mexico and El Salvador, which is so unbalanced in favor of Mexico, to increase also in favor... [pauses] We want to reduce such a great trade balance abyss. This is precisely what we were discussing: the need for trade to be two- way; not just in one direction, it must be balanced. This is the best way to be partners. The best commercial relations are when both purchase and both sell. This is what we were discussing with President Zedillo. [passage omitted]

I invite everyone to discuss these clear realities on what the Salvadoran people really need — confidence, investment, employment, generating jobs in the country, generating stability in the country. We need to generate investment and also bring development from foreign and domestic investments so as to generate more jobs and ensure the well-being for our country.

[Moderator] Milagros Vallecillos from the "Up-to-Date Newscast" [San Salvador Canal Doce Television].

[Vallecillos] Good afternoon, Mr. President. My question is in connection with the MINUSAL [UN Mission in El Salvador] report. What happens when this report confirms the existence of units that are full of former UEA [Executive Antinarcotics Unit] members and former National Police [PN] anti-crime units? It is also said that this violates National Civilian Police [PNC] internal regulations.

[Calderon Sol] Where does it say that? You have been misinformed, Miss. This is not what it said; no paragraph that I have read says that. Perhaps you received a different copy. I can say that does not exist; I have not seen it in the terms you say, nor was it published that way. If a different one has circulated — there are always wise guys here — perhaps you received a different copy of the report. The copy I received does not say that.

[Vallecillos] Mr. President, there is even a mention that the date proposed in the report... [pauses] To clarify, the report that we received mentions members from the units I spoke about who are in the PNC. If you now tell me...

[Calderon Sol, interrupting] [Words indistinct] the FMLN [Farabundo Marti National Liberation Front].

[Vallecillos] Exactly. If you now tell me we received another report this would then have to be clarified...

[Calderon Sol, interrupting] We would have to see that.

[Vallecillos] But the report we received clarifies that, and we even asked both the PNC director as well as the public security minister and so far they have denied this.

[Calderon Sol] I do not know what to reply. I do not have any details. They know more than I do about those things and those details. The truth is that everyone knows that there are former PN and FMLN people in the PNC. This is no secret and your question is not something out of this world. Everyone knows there are FMLN people and former PN and from former corps, battalions, and divisions in the PN. Thus, this is nothing new. What we have always wanted and should question is whether these people act institutionally as the PN. This is what we should know. If this were the case then that would be a problem. All PNC members must act institutionally as PN members. [sentence as heard] That is something that would be questioned. I can tell you that we will carry out a study, and we are making a study and a diagnosis on the study presented to us by Don Enrique Ter-Horst [head of the UN Observer Mission in El Salvador] to take actions and see what improvements can be made to our public security. [passage omitted]

Honduras

Ministry: 3 Salvadorans 'Murdered' in Ex-Disputed Area

PA2410032195 San Pedro Sula TIEMPO in Spanish 21 Oct 95 p 2

[FBIS Translated Text] Tegucigalpa — The Foreign Ministry has announced that three Salvadoran nationals living in the former disputed area of Nahuaterique, La Paz Department, were taken out of their homes this past 13 October by a group of armed individuals, supposedly Salvadorans.

Jose Lino Argueta, Rosa Armando Argueta, and Armando Chicas were dragged out of their homes in the community of El Carrizal, Nahuaterique, at 20:00 "and most likely were murdered near the community's health center."

The bodies of the Salvadorans, executed with gunshot wounds to the back of their heads, were found on 14

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

October in an advanced stage of decomposition and were officially identified by the justice of the peace of the Santa Elena Municipality, La Paz Department.

The murder, which cast residents of the community of Nahuaterique into a state of mourning, is the most serious incident perpetrated by any armed group since 4 September, when an armed group began its criminal activities against civilians living in the community.

The Foreign Ministry communique states that the government is aware of its responsibilities to guarantee the safety and to safeguard the property of the people throughout the country and that it is willing to adopt whatever action and measures may be required to prevent these kinds of incidents from disturbing the calm of those residents living near the Honduran border.

The Honduran Foreign Ministry has proposed to its Salvadoran counterpart to appoint a commission with representatives from both nations to investigate the circumstances under which the incidents took place.

Nicaragua

President Chamorro Suspends Trip to United Nations

PA2310234795 Managua EL NUEVO DIARIO in Spanish 21 Oct 95 p 8

[FBIS Translated Text] Nicaraguan President Violeta Barrios de Chamorro has inopportunely suspended the trip she had planned to participate in the 50th anniversary of the United Nations, because she is interested in participating actively in the election of her new vice president.

The president had planned to speak at the United Nations on 23 October. However, her interest in having her candidate elected, who, according to what we were told, is Doctor Fernando Zelaya Rojas, alias "El Diablo Zelaya," prompted her to send Foreign Affairs Minister Ernesto Leal as her representative to the United States.

According to what EL NUEVO DIARIO learned, the president informed "El Diablo Zelaya" of her intentions of his being her "vice president" on 20 October, as long as the plenary of the National Assembly approves him.

National Assembly Elects New Vice President

PA2310214895 Managua Radio Nicaragua Network in Spanish 1130 GMT 23 Oct 95

[FBIS Translated Text] President Chamorro has expressed satisfaction over the election of Deputy Julia Mena Rivera as vice president of the Republic. Chamorro reiterated her resolve to work harmoniously and announced that she expects to meet very soon with Mena.

[Begin recording] [Chamorro] Many of you were at the Assembly when [words indistinct] Julia Mena to congratulate her for her election as vice president. I congratulated her and told her I was very pleased that both of us are women because, as you know, women are strong. I expect that we will be able to work very well throughout the rest of this term.

[Unidentified reporter] Dr. Godoy never occupied his vice presidential post. Are you going to give [words indistinct] that place to the new vice president or will she be given an office at the presidency?

[Chamorro] Look, please do not twist things. I must tell you that Don Virgilio Godoy was elected vice president and I offered him the job. He said from the first—unfortunately I do not have the photograph here—that he did not want to [words indistinct] that he did not want to be tied to a rutting place. Do you know what a rutting place is? You do not know, do you. It is a corral where horses, bulls, cows, or whatever are tied. At any rate, [words indistinct] we would look for a home later and Violeta personally looked for a home for him.

To make a long story short, I do not believe that any president in the history of Nicaragua or of the world ever lifted his feet to go look for a home; meanwhile, he did nothing. On three occasions I looked for homes so that he could have a home but he said no because [words indistinct], that they were too small. He wanted a larger home so that he could receive guests and so forth. I told him that the country was totally bankrupt and that each of us could not have a home for [?a shop] It is one thing to work out of a home and another to live in it. He screamed at me [words indistinct] as I also could have done. He refused. However, despite this, he [?did his job]. He was our representative at the Central American Parliament. In short, he did not resign until now. [words indistinct] any statements he may have made. I do not like to disrespect anyone and I would have loved it if we could all have worked well and done something for the country.

At any rate, lets start again from scratch. Right now at the Assembly, where there is democracy, they elected Julia Mena [words indistinct] as a woman. [words indistinct].

[Reporter] Madame President, when are you scheduled to meet with the new vice president?

[Chamorro] I understand she is celebrating [words indistinct] and will return day after tomorrow and I postponed my trip to the United Nations to be at the Assembly and see this appointment, which is marvelous. I am thinking about whether or not we could go together

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to New York. Let me think about this because I want to find out whether or not there is still time.

[Reporter] Will your relations with Julia Mena be better than those you had with Virgilio Godoy.

[Chamorro] I have told you that Virgilio did not want better relations. Julia has just said that we are going to work together. She wants to work for the children. Blessed be the Lord! This is fundamental. The Beijing meeting of women was beautiful. We women are very concerned with children, with the world, and with the country also. It is not right to think that now that Julia is vice president, and Violeta, the president, we are going to quarrel. You will see no sign of envy.

[Reporter] What do you think about the deputies who withdrew from the voting?

[Chamorro] This is part of democracy. Some deputies walked out. What can we do? I thank the deputies who had wished that the appointment had been unanimous. It did not happen, but we are all still friends. These are deputies who are working for the country and this is good.

[Reporter] What are the functions of a vice president?

[Chamorro] We are going to discuss that. I congratulate Julia Mena for her decision. I called Julia immediately after the voting. No one can say I did not speak with her because some of you were present. Thank you. I feel happy. [end recording]

Panama

Finance Minister Says Economy Needs Structural Adjustment

PA2310202395 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Oct 95 p 1A

[Report by Esteban Huertas G.]

[FBIS Translated Text] Planning and Economic Policy Minister Guillermo Chapman yesterday said that the "Panamanian economy is ill and needs deep healing."

Chapman said that according to the economists, the country's situation needs "a structural adjustment."

Chapman added that this "economy is not going to grow again" or produce jobs until its basic ailing problems are resolved.

The difficulties of the Panamanian economy, Chapman noted, have been solved by government actions taken during the past years.

Chapman stressed that one of the current problems of the economy is the fact that there are 150,000 unemployed workers in the country, but in order to solve this problem it will be necessary to have a growth of more than 5, 7, or 8 percent.

According to Chapman, the government, among its structural measures, will promote the law in defense of competitiveness (antitrust), tax reforms, Panama's inclusion as member of the WTO, and the signing of a Free Trade Agreement with the United States.

Another aspect that Chapman mentioned is the need to streamline the government payroll which has 130,000 employees. A total of 30,000 workers cannot be booted out, therefore the payroll reduction should be a gradual process.

On the other hand, economy experts have predicted that Panama will have a 3 percent growth this year, a condition that will not solve the fast growing unemployment rate in the country.

Agreement on U.S. Military Base Presence Discussed

Newspapers on Permanence of U.S. Bases

PA2110162595

[FBIS Editorial Report] Panama's leading newspapers on 20 October published articles and editorials on the possibility of maintaining U.S. bases in Panama beyond the year 2000. The first of these reports, a 700-word article published by EL PANAMA AMERICA on page 6A, headlined "With the Chain, Not the Monkey," states that two recent events have undermined the administration's credibility: its failure to foresee this situation and to plan possible courses of action in response to the Clinton administration's request for exploratory talks; and Tod Robberson's article "Panama Faces Its Sovereignty." The United States does not want to pay to use the military bases for a number of reasons, including strategic negotiations, its belief that it owns the land, because bases are being closed in the United States despite the people's complaints, and so forth. Panama is sending mixed signals which weaken its position. "The administration," the article states, "must design a coherent media strategy in which all involved will play their role with a view to a common goal, and with the awareness that the administration's discourse must contain all the attributes that shape the national state."

EL PANAMA AMERICA on 20 October also published a 250-word article on page 7A headlined "the Renegotiation of the Bases," which states that "certain citizens feel that Panama should accept the U.S. military presence as long as it is in exchange for something worthwhile." The article goes on to say that payment for the U.S. military bases should not be in cash, but in projects

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

because "money would have to enter the national treasury, and it would favor the budget of the most cunning politician's province, beside the fact that half would go to commissions." The writer suggests the construction of modern freeways.

LA ESTRELLA DE PANAMA's 325-word daily "LA ESTRELLA Gives Its Opinion" editorial on 20 October on page 1 states that it does not matter which side first mentioned the issue of the permanence of U.S. bases in Panama. The fact is it has been mentioned. The issue now is that the U.S. Government is preparing to make Panama an offer to maintain some of its military units in the country beyond the year 2000. No negotiations appear to be under way at present; Panama is going to listen to Washington's proposal and decide whether or not it is negotiable. "This will be an historic decision that could be important for our future, with long-term implications the scope of which are impossible to guess." A national debate is in order so that individuals on both sides of the issue can express their views to the electorate.

Program on 'Explorative Talks'

PA2310185595

[FBIS Editorial Report] Panama City TVN Television Network in Spanish at 1630 GMT on 22 October broadcasts its Sunday one-hour "Dialogue" program on the explorative talks between the United States and Panama on the stay of U.S. military bases beyond the year 2000 in the Panama Canal. Ricardo Samaniego sits in for program hostess Luz Maria Noli. The guests are Dr. Oyden Ortega Duran, legislators of the ruling Democratic Revolutionary Party, the chairman of the Foreign Relations Commission of the Legislative Assembly, and Dr. Cesar Pereira Burgos, former minister and member of the Arnulfist Party.

Samaniego starts off by asking what Panamanians should expect from these explorative talks. Dr. Ortega replies that "my opinion is that Panamanians should expect a true national consultation, and above all, that we should determine which are the true advantages and the disadvantages facing Panama should it reach an agreement or manage to negotiate the presence of military bases after 31 December 1999. If this happens, and if Panama makes a decision, then that decision should be respected. I also believe that the basis of this consultation should be the advancement of national independence."

Dr. Pereira clarifies that although he is a member of the Arnulfist Party, he will not be speaking on behalf of his party. He underscores that there is no such a thing as explorative talks, because "every time one starts a negotiation of any type—commercial or international—one talks about the issues that interest each party. The problem here is that nobody wants to assume the responsibility for the start of these talks, neither the Panamanian nor the U.S. Government." Pereira adds that he is more concerned over the statements made by a U.S. Embassy official in Panama that there is no difference between what an article in THE WASHINGTON POST claimed and reality, than over the article itself.

The reporter then asks the guests to comment on reports that Dr. Nicolas Ardito Barletta, president of the Interoceanic Region Authority, ARI, mentioned military presence for 10 years after the year 2000, and that Planning Minister Guillermo Chapman said that Asian investors would feel better if the bases stayed in Panama.

Dr. Ortega states that if these persons did make such statements, "we understand that they were made on a personal basis. I have a different position. In this case, of course, there should be consultations and talks but keeping clearly in mind how far Panama can go. The 70 percent of Panamanians who claim to want the bases to stay after 31 December 1999 have done so thinking in economic benefits, tangible and real ones, but if this were not true, I think that 70 percent would vary." He adds that Panamanians should be polled only after they are informed about the advantages and disadvantages of the U.S. military presence. Ortega knows that Panamanians have rejected militarism.

Dr. Pereira complains that it is being said that the transition of the canal to Panamanian hands will be difficult and that Panamanians are not ready to administer the canal. He adds that "I think that those are lies that should be clarified and uncovered. A lot of work has been done with regard to the canal transition. We, Panamanians, are ready to administer the canal. We do not need help or crutches from anyone to do so. To claim that we are in such bad shape to simply justify the permanence of bases and the continuation of U.S. political meddling in Panama is not only a lie but a mistake." He argues that once the Panamanians are informed about the situation they will make a decision that could turn out to be a surprise.

In this regard, Dr. Ortega adds that there is the Transition Commission that "should play a first-rate role, because this will precisely guarantee that the transition will be truly effective. I have no doubt that Panama has the talent, and it is prepared—and in the remaining three or four years it could prepare even more—to administer the canal efficiently." He argues that a responsible ad-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ministration of the canal will create more trust than the presence of one or two bases beyond the year 2000.

Samaniego asks whether it is known which bases could remain. Dr. Ortega says that he was surprised by the fact that an ARI study on use of reverted areas purposely excluded the bases at Howard, Rodman, and Sherman. He adds that "we at the Canal Affairs Commission managed to convince ARI that it was impossible to exclude such places from an analysis." Ortega says that this was fortunately included in the study.

Samaniego asks what would be the advantages of keeping two U.S. military bases in Panama.

Dr. Ortega replies that "the worst is not that no payment be made for using the bases. If the presence is maintained after 31 December 1999, it would be so reduced—perhaps less than 2,500 soldiers—that they would not even use housing in Panama, because they have housing in the defense sites to lodge couples and single soldiers there. Thus, they would not pay rent and the advantage of renting apartments or houses in Panama would not exist."

The program host wonders how much only two military bases could contribute to the national economy after the year 2000. Dr. Ortega replies that this means "less buying, less or no need to rent housing, and more importantly, there is, from the strategic view, little U.S. interest in maintaining military bases in the world." He goes on to note that U.S. taxpayers would have a hard time understanding why the United States wants to maintain bases here and pay rent for them when it has closed bases in the United States itself.

He argues that "the defense sites are more suitable for industrial and tourism developments than for any other use. They are already areas that have a great infrastructure and Panama should take advantage of this."

Samaniego asks Dr. Pereira why the bases are not completely used for commercial developments, why allow the presence of two military bases.

Dr. Pereira replies that "in 1993, Mr. Joaquin Vallarino, who was president of a special commission appointed by the president to explore the use of the reverted areas, invited Panamanian industrialists and businessmen to visit the Canal Zone, and they said that it would be more expensive to remodel the existing structure than to build them in Panama. The result of such visits was that the businessmen said that they were not interested."

The host asks what need does the United States have to maintain military bases here if the 1977 canal treaty gives it the right to intervene in Panama whenever it deems that the waterway is jeopardized.

Dr. Ortega argues that he disagrees that the United States has a right to intervene, because when the amendment of Senator DeConcini was signed, it was stated that such amendment could never be interpreted as a right to intervene. He added that "in fact, when they invaded Panama in 1989, they did not base such an intervention in the treaties." Ortega says that Panama should make a decision in keeping with its interests and should the decision be against the bases, Panama should continue to be a friend of the United States.

The legislator adds that "the president of the Republic was right when he said that he must hold talks on these issues, because there are different opinions. That, however, is one thing and another is that Panamanians are not told the good and the bad."

Dr. Pereira argues that "I do not think that a country that signed a free trade agreement with Mexico, despite the age-old problems between them, will compromise friendship and reciprocal interests only because of the discussion of military bases that are not part of the core of the relations of the peoples and governments of the United States and Panama." Pereira adds that he pointed this out because Labor "Minister Doens said that those who disagree with him—if this is really what he thinks—are involved in a plot with U.S. interests or third countries, and I do not know with which countries." He complains that we are back to the habit of branding as a traitor those who disagree with the executive branch. Pereira adds that "I do not think that those who want the bases to stay are traitors. I just want to know the exact content of the agreements to discuss them and to have discussions at the Assembly. The political parties should play their role because the president has done his share and in the end, the people will vote in a referendum.

Samaniego asks whether a U.S. military presence in Panama would be effective to fight drug trafficking. Dr. Ortega replies that drug trafficking is an international responsibility. He says that after the canal reverts to Panama in 1999, "we could perfectly, in association with many area countries, establish task forces and organizations involved in this struggle, because one country maintaining military bases in Panama would not necessarily guarantee the struggle against drugs."

Dr. Pereira says that "giving an ethical justification to the U.S. military bases by arguing that they will serve to fight drug trafficking would not have a serious repercussion if they limited themselves to fighting drugs in the United States and Panama, which would be the signatories of such an agreement." He adds that "having foreign military bases in this country to fight drug

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

trafficking in Peru, Bolivia, Colombia, Venezuela, and Mexico is tantamount to the Panamanians promoting something that we have always rejected, that is, political meddling in other countries." He notes that each country has its own formulas to fight drugs.

Dr. Ortega argues that this could also violate the neutrality principle that is clearly established in the canal and international law. He adds that "no country can claim to be neutral if it lends its territory to attack another country or participates in actions against another country. And we are very interested in perfecting and consolidating the neutrality of the Panama Canal. This would be much more attractive to investments than anything else."

Samaniego says that the polls indicate that 86 percent of the Panamanians want the bases to stay. He asks how much such polls reflect the Panamanians' doubts about the local politicians' handling of canal.

Dr. Ortega argues that "this view could change regardless of whether such polls are accurate, because many who maintain this could be thinking that the economic advantages justify this presence." He adds that "many of them could change their views, that this presence is unnecessary, especially if it is not accompanied by tangible, important, and decisive economic advantages for Panama."

Dr. Pereira notes that "there is no doubt that in the handling of our relations with the United States regarding the canal major interests are involved, not only U.S. but also Panamanian interests." He adds that he will propose in an upcoming article that "no one who participates in the negotiations should have the right to directly or indirectly participate in businesses in the canal zone." Pereira says that this would be immoral.

The program host points out that the PRD always advocated the departure of all U.S. soldiers and the opposition criticized the treaties that Torrijos signed, but the two now have different positions.

PRD Legislator Ortega notes that man acts upon its circumstances. He calls for tolerance from the government and the opposition to allow everyone to voice his opinions. Dr. Pereira says that he voted against the treaties in the referendum. He adds that his opposition Arnulfist Party has issued no opinion and will not do so until the agreement reached between the United States and Panama is revealed.

Samaniego asks whether these explorative talks could produce a secretly signed treaty as was the case in 1977.

Dr. Ortega says that governments cannot do this easily now, because this issue must go through the Legislative Assembly and a national referendum. He adds that there is no unanimous position in the United States with regard to maintaining bases in Panama. Ortega notes that if the United States does not have "a strategic and military interest" in maintaining bases here, it will not do so and "it has, at any rate, said that it would not pay if bases are maintained in Panama."

The program host wonders whether these talks will become a discussion of supply and demand.

Dr. Pereira notes that they already are. He argues that this is not bad, because each party in a negotiation should make an assessment in keeping with its interests. Pereira underscores that the serious thing is the view that "the bases are indispensable for us, because the more we say this the more our negotiating position is undermined."

Host Samaniego asks the guests to give their conclusions. Dr. Pereira concludes that "these are not explorative negotiations but initial negotiations." He argues that this is actually the start of an actual negotiation, because the government has appointed very prominent officials to deal with this. Pereira says that this is correct and normal and all Panamanians are waiting to see the results of this "first round of negotiations."

Dr. Ortega concludes that the talks should be as broad as possible, that nothing should be hidden. He argues that Panamanians should know what issues will be discussed. Ortega adds that this should not be done hastily but prudently. He calls for the prompt approval of the basic law creating the canal commission of the Republic of Panama, because this "will show the United States and the world that we are preparing ourselves and perhaps this convince Panamanians that we can live without military bases."

Poll: People Prefer U.S. Presence

PA2010221595 Panama City EL PANAMA AMERICA in Spanish 18 Oct 95 p 1A, 10A, 11A

[FBIS Editorial Report] The firm CID/Gallup conducted a poll of opinion for EL PANAMA AMERICA from 19 to 27 September 1995. all of the pollees showed marked interest in the continued U.S. military presence in Panama after the year 2,000. The most important reason given for this preference was the Canal's safety and the fact that the presence of U.S. bases would provide jobs for Panamanians, although those polled also admit that these troops could be used to fight drug trafficking, assist refugees, and carry out operations in third countries. Most of the pollees who supported the U.S. military presence in Panama had primary and secondary education. Also, most of them want the same number of U.S. troops to stay.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Opinion On U.S. Troops According to Education Level

Educational Level				
Confidence	Total	Primary	Secondary	Higher
Total	100	100	100	100
Maintain same number of troops as at present	61	65	63	47
Leave troops but in a smaller number	25	22	24	30
Let them all leave	11	8	10	22
Did Not Know/Answer	3	5	3	1

Opinion on the Acceptability of U.S. Troop Functions After 1999

Function	%	Function	%
Canal Security		Fight Drug Trafficking In the Region	
Acceptable	85	Acceptable	82
Unacceptable	7	Unacceptable	10
Did Not Know/Answer	8	Did Not Know/Answer	8
Assistance in National Disaster or to Refugees		Support Other UEA Forces Operating Elsewhere in the Hemisphere	
Acceptable	81	Acceptable	61
Unacceptable	10	Unacceptable	27
Did Not Know/Answer	9	Did Not Know/Answer	12

U.S. Politicians Should 'Get Smart'

PA2110190395 Panama City LA PRENSA in Spanish 18 Oct 95 p 25A

[Article by I. Roberto Eisenmann, Jr., LA PRENSA founding president and founder of the Foundation for the Development of Civil Liberty: "Hey, Man, Get Smart!"]

[FBIS Translated Text] A few days ago, I ran into one of those extraordinary and brilliant Panamanians who, without having any formal education, is tremendously capable and has natural and very clear common sense, which our best politicians would like to have. The greeting goes like this: "What's up, Bobi!" "Yo, Charly!" "Hey, you clear on the bases issue?" "Thanks, Charly, but don't you have relatives working for the Army?" "That's right, Bobi, but that don't have to drive me nuts, you see... They think that by hoping and shouting, Uncle Sam is gonna stay the way it is today... They crazy, man!... If we keep making a fuss, they'll stay with only 500 of the 8,000 workers... They gonna give us the shaft... We are so f—— [five hyphens as published] up, man... Hey, Uncle Sam is worse off... It ain't gonna let sleeping dogs lie, just for the heck of it... So big, and such a crybaby... Someone should tell him: 'Hey, man, get smart!'"

The language of "Charly" is not for diplomatic circles; however, his common sense is. The thing is that, actually, "the" famous Uncle Sam is indeed many little uncles who barely agree on coherent foreign policies... unless it has to do with waging a war on an enemy. Since the East-West confrontation disappeared, achieving coherence in Washington will get more difficult by the day. It is not like they are stupid; quite on the contrary, they created a political system that, due to its checks and balances, is the most open system in the world... and the most effective when dealing with domestic progress. The problem is that when they try to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

look beyond their borders, they become —-Canadian Axinorthy said it — like a big "Mr. Magoo," who has big eyes but sees nothing.

North Americans are so, so ignorant about the world they control; it is truly a shame. In the case of Panama, a president named Jimmy Carter jeopardized his political life (and lost it) and ignored his principles (the "human rights president") and reached a pact with a Panamanian dictatorship: the Panama Canal Treaties. This author, in principle, opposed the treaties vehemently... However, despite their big mistakes, I have to accept that the "causes of the conflict" were eliminated to a great extent. It is so much so, that following a very violent and very expensive (in lives and property) invasion that must have opened a big wound in our Panamanian self, most of us Panamanians, surprisingly, are pro-Yankee.

However, this phenomenon is "too good to be true" [previous five words in English], and the Pentagon's uniformed men forced Clinton to request "exploratory talks" on the permanence of the bases beyond the year 2000, even if it goes against his very ineffective State Department... and our president fell into the trap of accepting participation in the talks without setting parameters that would save our national dignity.

In other words, thanks to the wittiness of the North American uniformed "Mr. Magoo's," we will soon embark on a completely unnecessary process of demonstrations, forums, marches, flag burnings, and other things, which will waste Panamanians' polarized and sterile efforts and will end up once more harming and poisoning the Panamanians' feeling toward the United States (from today's love to yesterday's hatred). A friend of mine used to tell me: "They can't help themselves." [previous four words published in English] All this, they are destroying all this, to leave 1,000 soldiers in limited areas, when they could have had heir cake and eat it too, by leaving 1,000 Department of Defense employees maintaining a runway, a naval port, and a "ready access" [previous two words published in English] (ready access) surveillance system, which is part of a multinational regional program to control drugs and money laundering.

This is how they will obtain the effectiveness they are seeking without offending our dignity as a nation, without destroying our Constitution that compels us to be a demilitarized country, without moving backward before the international community (who will again believe in dates?). However, these criteria are too easy for commanders and politicians.

They have to complicate and destroy everything. If everything is calm and surprisingly favorable; that is, if something is not "broken" [previous word published in English] (broken), then they have to "fix it" [previous two words published in English] (fix it).

I do not appeal only to our president to rectify on time; I also make my friend "Charly's" words my words and tell my friends from the North: "Hey, man, get smart!"

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Reaction to Shooting, Wounding of Iranian Diplomat

Islamic Official on Incident

PY2310135595 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2359 GMT 22 Oct 95

[FBIS Translated Text] Buenos Aires, 22 Oct (NA) — Abdul Karil Paz, representative of the Islamic community, confirmed today that the incident in which an Iranian diplomat was wounded "was a terrorist attack," and he denounced "the campaign of discrimination" against the Muslim community in Argentina.

"According to our information, it was a terrorist attack because there was no attempt to carry out a robbery nor was there any struggle that indicates anything to the contrary," Paz stressed.

The director of the country's most important mosque reiterated that it was not his intention "to accuse anyone in particular, so that the same will not occur against the Muslims who live in the country and who have been the victims of continuous attacks without reason."

"We see how Arabs are attacked in the media with unfounded charges, which tend to cloud the healthy relations we maintain in this country with other communities," he said.

He stressed that "we are not going to allow this healthy coexistence to be disturbed. We demand that the government put an end to these irresponsible statements."

Envoy: 'Zionists' Possibly Involved

PY2310150895 Buenos Aires TELAM in Spanish 1414 GMT 23 Oct 95

[FBIS Translated Text] Buenos Aires, 23 Oct (TELAM) — Iranian Ambassador to Uruguay 'Ali Sarmadi-Rad today reiterated that the aggression against Iranian diplomat Hassan 'Ali Rajabi Yazdi on 21 October "was an attack" carried out "by groups that do not see any benefit" in relations between the two countries.

"There are groups of Zionists in Buenos Aires that could have carried out the attack," he added. When asked whether Iranian diplomats were planning to leave Argentina, he said "don't help Buenos Aires become a city of terror."

Kahane Hay Member 'Authorized'

LD2310115395 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 23 Oct 95

[FBIS Translated Text] A Zionist terrorist group has claimed responsibility for the attempted assassination of 'Ali Rajabi Yazdi, the Islamic Republic of Iran's ambassador to Argentina.

UPI has reported that a person who introduced himself as a member of the Kahane Hay Organization said in a telephone contact that he was authorized by the organization to assassinate Iran's ambassador to Argentina.

According to this report, David Louis, Zionist Kahane Hay Organization spokesman, has confirmed the attempt on the life of Rajabi Yazdi by that organization.

Jewish Official Denies Zionist Role

PY2310150795 Madrid EFE in Spanish 1304 GMT 23 Oct 95

[FBIS Translated Text] Buenos Aires, 23 Oct (EFE) — Top leaders of the Jewish community in Argentina on 23 October denied Zionist groups attacked Iranian Charge d'Affaires Hassan 'Ali Rajabi Yazdi.

Ruben Beraja, who presides over the Delegation of Argentine-Israeli Associations [DAIA] repudiated a report disseminated by IRNA, the official Iranian news agency, which states that the attack was carried out by Jewish extremists.

Beraja told a Buenos Aires radio station that the Iranians are seeking "advantage from the situation. The real objective is still unknown."

The Iranian agency stated that an unidentified person "who said he was a representative of the Jewish community" called its office in Madrid on 22 October and said he was behind the attack.

The agency added that this person said the attack came as an answer to the explosion at the Argentine-Israeli Mutual Association (AMIA) headquarters in Buenos Aires on 18 July 1994, when 86 persons died.

AMIA President Mario Crupnicof said there is interest in "distracting attention from those really behind the attack" on the Iranian charge d'affaires in Buenos Aires.

Beraja and Crupnicof are in Israel. They repudiated the attack against Rajabi Yazdi, who is recovering well according to his doctors.

Rajabi Yazdi, 33 has been Iran's top representative in Argentina for more than a year. Relations between

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the two countries cooled following the suspicion that Iranians are behind the AMIA attack.

Menem Meets Rabin on Incident

PY2310204995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1831 GMT 23 Oct 95

[Report by unidentified special NA correspondent]

[FBIS Translated Text] New York, 23 Oct (NA) — After meeting with Israeli Prime Minister Yitzhaq Rabin, President Carlos Menem today emphasized that the Israeli Government has rejected any type of responsibility in the attack perpetrated against an Iranian Embassy official in Buenos Aires.

The Argentine president noted that it is still not clear whether it was a political attack or a mugging. He also played down reports disseminated by a news agency that an Israeli group a few hours ago claimed responsibility for the attack.

Menem made these remarks after meeting Prime Minister Rabin at the Waldorf Astoria Hotel this morning amid severe security measures taken by the Israeli intelligence services.

The meeting was held on the hotel's ninth floor. Cameramen and photographers alone were allowed to film and take photographs before the meeting. Nevertheless, their equipment was first carefully checked for explosives.

The Argentine president described the meeting as "excellent." He said Rabin explained to him the developments in the peace process initiated in the Middle East and the negotiations that are being held to achieve a peace agreement with Syria.

In this connection, Menem mentioned his Syrian origin and said Argentina "is willing to cooperate in the efforts to achieve peace."

Menem also noted that he was the first Argentine president to visit Israel, and that Juan Domingo Peron's Justicialist administration was among the first administrations to recognize the establishment of the Jewish State.

Menem explained that, during the meeting, the issue involving the attacks perpetrated in Buenos Aires against the Israeli Embassy and the AMIA [Argentine-Israeli Mutual Association] headquarters "was not raised." Nevertheless, he said: "It is understood that the Argentine Government is investigating this issue."

Menem emphasized that it is a difficult task to solve such attacks "because they are frequently perpetrated by people who kill themselves."

In this regard, Menem stressed: "It is not easy to discover the perpetrators and masterminds of the attacks." In this connection, he mentioned the terrorist attacks perpetrated in Oklahoma, at the World Trade Center in New York, and in Israel itself.

In response to a specific question posed by a foreign correspondent, the president harshly rejected the criticism that has been leveled against Argentina by Rabbi Avi Weiss from New York. He noted that he would prefer not to mention "that man."

The president indicated: "I have talked to many Jewish leaders around the world and they don't have very good opinions of him." He advised: "Don't waste time talking about this character."

After emphasizing that the investigations into the attacks against the Israeli Embassy and the AMIA "are faring well and are progressing," Menem, in a serious tone, noted: "No one can challenge the honesty of the judges or officials who are pursuing the investigations in Argentina."

Menem was directly referring to charges leveled by Rabbi Weiss against Argentine officials while addressing a group of U.S. congressional representatives.

Government: 'Too Soon' for Opinion

PY2310122895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2227 GMT 22 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 22 Oct (NA) — Hassan 'Ali Rajabi Yazdi, Iranian charge d'affaires in Buenos Aires, who was shot on 21 October by an unknown person, is still hospitalized at La Sagrada Familia clinic, but out of danger in the intensive care unit.

While the government has not yet released a communique about the possible motive for the attack, for the attack, Sarmadi Rad Mohammad, the Iranian ambassador to Uruguay, who arrived in the country today, stressed that it was a "terrorist act."

The clinic's spokespersons have indicated that Rajabi Yazdi is recovering from the operation that he underwent to remove a bullet from his chest. He was shot on 21 October by an unknown person on a motorcycle, who fled after the attack. [passage omitted]

For its part, The Iranian Government today accused "agents at the service of the Zionists" of being responsible for the attack against Rajabi Yazdi while he was driving his car with his family in the Buenos Aires district of Belgrano. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The declaration against Israel was made by Foreign Affairs Vice Minister Mahmud Va'ezi in Tehran in statements to the IRNA news agency. [passage omitted]

In addition, the Iranian Government carried out another diplomatic maneuver when it decided to send 'Ali Sarmadi-Rad, Iranian ambassador to Uruguay, to closely follow the state of health of the wounded diplomat.

Mohammad today stated that the attack against his country's charge d'affaires was "a terrorist act" due "to the modus operandi of the attacker."

The diplomat said that those responsible "could be Zionist groups or Iranian antirevolutionary groups," and he added that "there could be cooperation between those groups."

The Argentine vice foreign affairs minister, Fernando Petrella, indicated that the Iranian diplomat from Uruguay "will probably visit the Foreign Ministry on 23 October."

He also stressed that he has not yet spoken to the Iranian official about relations between the two countries, and he explained that "for the time being, Rajabi Yazdi's health is now the major concern."

Despite the fact that the Iranian official has made known his theory about the attack, the Argentine Government has remained cautious when discussing the matter.

The government's top members are indicating that "it could merely be a criminal incident," although they do acknowledge that "it is still too soon to express an opinion on the attack." [passage omitted]

Foreign Minister on Investigation

PY2310145795 Buenos Aires TELAM in Spanish 2331 GMT 22 Oct 95

[Report by unidentified special TELAM correspondent in New York]

[FBIS Translated Text] New York, 22 Oct (TELAM) — Foreign Minister Guido Di Tella condemned the attack on the Iranian charge d'affaires to Argentina, Hassan 'Ali Rajabi Yazdi, and asserted that a probe will be conducted to identify those responsible for the attack. He nonetheless said he did not know whether there was a political motivation behind this act.

Commenting on the attack, Di Tella said: "We deem it to be a deplorable act," adding that "we are not sure that it was an intentional and political attack; it could have been a criminal assault; we do not know for sure."

Di Tella made these remarks to the press at the Waldorf Astoria Hotel in New York this evening. President Carlos Menem, who came here to participate in the ceremony commemorating the 50th anniversary of the establishment of the United Nations, is staying at this hotel.

Asked whether there was concern about the motives that could have led to the attack on the Iranian diplomat, the foreign minister replied that "any attack arouses serious concern." He nonetheless made it clear that "there may or may not be a political reason behind this attack."

In reply to a question whether the Iranian Government had lodged an official protest about the attack, Di Tella said: "They have issued a declaration voicing grave concern about what has happened, and demand that an investigation be conducted into the attack. It goes without saying that we would do it even if the request had not been made."

Asked whether relations with Iran had deteriorated on account of this incident, the foreign minister answered: "They have not been affected any further." Di Tella recalled that relations with Iran are maintained only at the level of charge d'affaires.

Interior Minister on Incident

PY2410013395 Buenos Aires TELAM in Spanish 2119 GMT 23 Oct 95

[FBIS Translated Text] Buenos Aires, 23 Oct (Telam) — Interior Minister Carlos Corach today said that the Argentine Arab community was categorically not involved in recent terrorist attacks or in other violent incidents that have occurred in the country.

Corach said: "No government organization has incriminating evidence proving that members of the Arab community are involved in terrorist attacks or in any other incidents."

Corach made this statement at Government House after meeting with leaders of the Federation of Arab Organizations in Argentina (Fearab) [Federacion de Entidades Arabes en la Argentina] headed by Fearab President Jose Jalil.

Corach said that the Arab leaders expressed their repudiation of the attack perpetrated against the Iranian charge d'affaires in Argentina, and of "all acts of violence." Corach described this as "a highly positive" attitude.

He added: "We are betting on domestic peace, the peaceful coexistence of all social groups. We do not want international disagreements not inherent to Argentine domestic issues to spur disputes among our various community groups."

Corach said that they also discussed "the history of the Arab community in Argentina, which is characterized

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

by many decades of peaceful coexistence with all other communities."

Moreover, Fearab President Jose Jalil said that the Fearab leaders are "quite pleased" with the meeting they held with the interior minister because "we believe that as of today, the cloak of suspicion over the Arab community will be lifted."

Jalil added that "this cloak of suspicion has existed for a long time, ever since the attacks" on Jewish institutions. He declined, however, to identify the authors of these reports "because we are not investigators."

Jalil said that Corach "has assured us that this is not so."

Moreover, Fearab Secretary Roberto Ahuad said that "we strive to separate the Middle East conflict from the Argentine Arab community, and we do not want the Arab community to be identified with this issue."

He said: "As the interior minister has said, the Arab commuity is not, and has not been, involved. Moreover, there is no evidence nor reason to suspect that it has been involved, but there are some members of the media who have thrown this cloak of suspicion over our commuity."

In view of this, Ahuad said that he believes Ruben Beraja, DAIA [Delegation of Argentine-Israeli Associations] president, "is transferring the Middle East conflict to Argentina, but we are not referring to all members of the Jewish community."

Ahuad said: "The media is filled with numerous articles in which Beraja has said that Arab groups are involved in this, and he has mentioned Islamic groups. In so doing, he has involved religious groups, and this is a very serious matter."

Interior Minister on Hypotheses

PY2310162395 Buenos Aires TELAM in Spanish 0236 GMT 23 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 22 Oct (TELAM) — Interior Minister Carlos Corach stated today that no hypotheses — including that of a terrorist attack — can be ruled out in the investigation into the attack suffered yesterday by the Iranian charge d'affaires to Argentina, Hassan 'Ali Rajabi Yazdi.

"We do not rule out the possibility of a terrorist attack, but so far, neither Argentine judicial authorities nor the Federal Police have been able to prove that hypothesis," said Corach this afternoon when he went to the La Sagrada Familia nursing home, where the Iranian diplomat was hospitalized.

During his visit to the diplomat, Corach expressed, on behalf of President Carlos Menem and his administration, his condemnation of the attack the charge d'affaires suffered.

The interior minister said: "President Menem has been following what happened very closely" since he is being kept informed at all times in New York, where he is participating in the celebrations of the 50th anniversary of the United Nations. [passage omitted]

Corach reported that he had met with Judge Gabriel Cavallo, who "told me that several witness have made their depositions," and with Federal Police Chief Juan Adrian Pelacchi, who told him that the Federal Police "are conducting a massive operation to rake up witnesses."

The interior minister went on to say: "The Federal Police have told me that there were many witnesses on the scene of the crime and that usually, there are many people circulating in Barrancas de Belgrano at that time. This is why they are trying to collect the greatest possible number of witnesses so as to reconstruct what really happened."

Asked whether any terrorist group had claimed responsibility for the attack, Corach replied: "None, so far." [passage omitted]

Commenting on the charges filed by Muslim religious leaders, who claimed that there is a discrimination campaign against them, the interior minister said that "we cannot accept any type of discrimination."

"I do not think that they are being discriminated against; on the contrary, I believe that like any other community in this country, they lead an active and free life without suffering any type of discrimination," he underscored.

The interior minister further stated: "Anyhow, all preferred charges are immediately studied. In this country, all communities live in absolute freedom.

Corach added: "The Argentine Government is conscientiously discharging the obligation of guaranteeing security to absolutely everybody."

The interior minister said that the Iranian charge d'affaires "is fully conscious" and cooperating with the probe.

Envoy 'Positive' Jews Not Involved

PY2310172495 Buenos Aires TELAM in Spanish 1518 GMT 23 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 23 Oct (TELAM) — The Argentine Foreign Ministry has played down reports contending that Zionist groups were behind the attack on an Iranian diplomat in Buenos Aires. It asserted today that the Argentine

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Government so far has no evidence at all to support that claim.

Deputy Foreign Minister Fernando Petrella, speaking on Radio del Plata today, said: "We have no evidence" indicating that the attack on Iranian Charge d'Affaires Hassan 'Ali Rajabi Yazdi has been masterminded by Zionist groups adding that "those are rather premature conjectures."

Petrella stated that "one should refrain from lending credence to those things because otherwise, we will be involved in a serious complication." He reiterated that the Argentine Government "condemns the act and is gravely concerned."

Israeli Ambassador in Argentina Yitzhaq Aviran, for his part, said that the attack was most regrettable. Yet he denied that members of the Jewish community participated in the attack.

Aviran, speaking on the radio, said: "I do not believe so. That is not the way we are handling those issues with Iran. I am absolutely positive that neither Israel nor the Jewish community is implicated in this affair." [passage omitted]

The deputy foreign minister termed the attack on the Iranian diplomat "lamentable." He said that "the Argentine judicial authorities will have to determine whether it was an attack or not. We were taken aback by the event; we condemn it, but we are not in a position to label it as an attack."

Petrella denied that the incident could lead to "a deterioration" in relations existing between Argentina and Iran. He also dismissed the possibility that Buenos Aires "could have become a sort of mirror of Middle East conflicts." [passage omitted]

Argentine-Arab Group Repudiates Attack

PY2310142795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0231 GMT 23 Oct 95

[FBIS Translated Text] Buenos Aires, 22 Oct (NA) — The Argentine-Arab Community in Buenos Aires (Fearab) has condemned the attack on Iranian Charge d'Affaires Hassan 'Ali Rajabi Yazdi and termed the attack a "political crime."

FEARAB President Jose Jalil today visited the Iranian diplomat at the La Sagrada Familia Clinic. He said the Islamic community in Argentina "feels discriminated against by this type of incident."

In a press release, Fearab deplores "the interested and discriminatory preaching of Beraja (Ruben Beraja, the DAIA [Delegation of Argentine-Israeli Associations] president) who wants to bring the conflict with the state of Israel to Argentina."

"This is being done without any consideration for the relatives of the victims of the attacks. It disturbs the peaceful coexistence with Argentines," the Arab organization says.

Fearab believes that "while the Middle East conflict is linked to the AMIA [Argentine-Israeli Mutual Association]-DAIA incidents, it will be difficult to find any real clues that will lead to the truly guilty persons and thus end this general suspicion."

Representatives of this federation will meet at 1130 on 24 October with Interior Minister Carlos Corach at Government House.

Reportage on Major-Menem Meeting in New York

Menem: Meeting 'Excellent'

PY2410021495 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0041 GMT 24 Oct 95

[FBIS Translated Text] New York, 23 Oct (NA) — President Carlos Menem said tonight that his trip to Great Britain depends only on "an agreement by the two countries' foreign ministers on a date."

The president thus left in the hands of Foreign Minister Guido Di Tella and Malcom Rifkind, secretary of state for foreign and commonwealth affairs, the preparations for and details of his future trip to London. This afternoon Prime Minister John Major invited Menem to visit the United Kingdom.

The Argentine president agreed to talk with reporters and give details of his meeting with John Major when he left the Waldorf Astoria Hotel to attend a reception in honor of Citibank Vice President William Rhodes.

"It was an excellent meeting. It had a very good level. We agreed on the need to increase our bilateral relations and work jointly in all international fields," Menem said.

The president added that the fight against terrorism and drug trafficking are some of the problems where Argentina and Great Britain can work together.

Menem admitted that during his dialogue with Major, we "did not discuss the issue of the sovereignty" of the Malvinas Islands, but we talked about the need "to make more flexible the arms embargo" that London has imposed on Argentina since 1982.

The head of state also said that during the meeting he proposed beginning negotiations on a fishing agreement in the South Atlantic, although he made it clear that

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

such an agreement would require "time because it is not something that can be resolved quickly."

Menem on UK Embargo Policy

PY2410023595 Buenos Aires TELAM in Spanish 0048 GMT 24 Oct 95

[Report by unidentified special TELAM correspondent]

[FBIS Translated Text] New York, 23 Oct (TELAM) — President Carlos Menem tonight acknowledged that he discussed with British Prime Minister John Major the possibility of making the British embargo on arms sales to Argentina more flexible.

Upon responding to questions posed by Argentine journalists, the president noted that we talked "about making the embargo issue more flexible." He described as "excellent and of a very good level" his meeting with Major.

Menem added: "We talked about the significance of enhancing our bilateral relations and working jointly on issues of international interest like, for example, the struggle against drug trafficking or terrorism."

Menem confirmed that "the sovereignty issue was not discussed." He accepted the existence of "a possibility of establishing a date for visiting London," which will depend on achieving an agreement between the two foreign ministries.

Menem was optimistic about the possibility of "a gradual rapprochement" between Argentines and Britons. Asked about the possibility of establishing a commission for reviewing the fishing issue, Menem said: "This has been an extremely important achievement."

Menem pointed out: "But this requires time. It is not something that will crop up quickly. And we will begin talking about this issue."

The president said: "It is important to hold talks for achieving a fishing agreement because the species conservation issue is also involved."

The president emphasized: "Achieving an agreement on oil exploration will help in achieving this fishing agreement."

Major Invites Menem To London

PY2310222395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2036 GMT 23 Oct 95

[FBIS Translated Text] Buenos Aires, 23 Oct (NA) — Foreign Minister Guido De Tella said this afternoon that British Prime Minister John Major today formally invited Argentine President Carlos Menem to visit Great Britain.

Di Tella said Menem's visit to the United Kingdom will occur "when we can have an agenda and an agreement on issues justifying it."

Di Della characterized today's meeting as "successful," adding that during the discussion, President Menem proposed to Major a study on the possibilities of a broad fishing agreement in the waters off the Malvinas Islands.

Invitation Reflects 'New Atmosphere'

PY2410014795 Buenos Aires TELAM in Spanish 2204 GMT 23 Oct 95

[Report by unidentified special TELAM correspondent]

[FBIS Translated Text] New York, 23 Oct (TELAM) — Prime Minister John Major today clearly expressed the new atmosphere of confidence prevailing in the relations between the United Kingdom and Argentina, inviting President Carlos Menem to pay an official visit to his country.

Major formally invited Menem during a meeting that the two heads of state held in this city. Argentine Government sources described the meeting as "extremely successful."

Foreign Minister Guido Di Tella said: "Major invited Menem to visit the United Kingdom at a date that must still be confirmed, depending on their agendas and on the existence of a package of issues, supporting Menem's visit. This visit will surely take place, but the date for it must still be determined."

The minister noted that Menem and Major, who held a 45-minute meeting in a room at the UN Plaza Hotel in this city, also agreed that the relations between Argentina and the United Kingdom have now achieved "a new level of confidence."

The foreign minister added: "Both Menem and Major agreed on the importance of the relations between the two countries and, fundamentally, the oil agreement that has been signed, which has caused the relationship between our countries to achieve a new level of mutual confidence."

The foreign minister also emphasized: "This has prompted reviewing issues like, for example, a fishing agreement that was proposed by Menem during the meeting and that was received with great pleasure by Major."

At Menem's request, Di Tella reported on the meeting as soon as it finished. The meeting was held under extremely severe security measures around the hotel, which lies opposite the UN building.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Menem-Major meeting began at 1530 local time (1630 Argentine time) when the two heads of government shook hands before cameramen and photographers before the doors of the room were closed.

After the talk, Menem said the meeting "was very good, and the foreign minister will inform you."

Di Tella emphasized that Major also stressed that it is important for the two governments to advance toward "exchanging visits of ministers, military leaders, and officials from all areas."

The foreign minister said Major pointed out that "this should be enhanced as a direct result of this new level of relations that we have established."

The Menem-Major meeting has been the first official meeting between Argentine and UK heads of state since the 1982 [Malvinas Islands] war. The meeting had been scheduled based on the presence of the two heads of government in New York to participate in the ceremonies to mark the UN 50th anniversary.

Di Tella emphasized: "The talks were held in a very cordial atmosphere and, in our opinion, we believe the meeting was very succesful."

The foreign minister added: "We understand it was very successful because Major said so; for them, it was also very successful."

Asked if the dispute over the Malvinas Islands sovereignty had been discussed, the foreign minister pointed out: "It was mentioned that this issue would not be discussed and would be left for another occasion."

In this regard, Di Tella noted that President Menem had already announced that the issue would not be included in this meeting's agenda. He emphasized: "But this does not mean that it will never be discussed; at least, this is Argentina's intention."

Di Tella was also asked if the talks had focused on the arms embargo imposed by the British after the 1982 war. The minister responded: "A number of issues that will be reviewed individually, obviously including the arms embargo, were discussed."

Di Tella emphasized that the talk extended "beyond the scheduled time" due to the "extremely cordial atmosphere" that prevailed during the meeting. He noted that Menem and Major also "reviewed the stances" that Argentina and the United Kingdom support at various international forums.

In this regard, the foreign minister emphasized that the two heads of government clearly noted that "there are agreements in many areas." Di Tella noted: "This new level of confidence is a key for a change in our relations."

Di Tella also noted that, in the field of bilateral trade, "Major expressed interest in the issue of energy in Argentina."

Di Tella noted that Major mentioned an award made by the Yacyreta Binational Entity, "involving a consulting contract for a British company to review various issues relating to the dam."

Di Tella was also asked about the impact of the Malvinas Islands oil agreement, which has been criticized by opposition sectors in Congress.

In this regard, Di Tella announced: "At 1600 on 1 November I will be in Congress to provide a detailed explanation on the negotiations."

Di Tella emphasized: "I would be pleased if all the negotiations are approved in Congress, if congressmen want it." He stressed: "There is a favorable atmosphere for their approval, as the agreement is really extraordinary."

Nevertheless, Di Tella acknowledged: "It is quite predictable that the opposition will challenge the negotiations, but there will be a satisfactory majority. I also believe the opposition will not challenge the negotiations with great conviction."

UK Official on Significance of Meeting

PY2410020295 Buenos Aires TELAM in Spanish 2223 GMT 23 Oct 95

[FBIS Translated Text] Rawson, 23 Oct (TELAM) — David Reddaway, the minister counselor of the British Embassy in Argentina, has emphasized the significance of the meeting held today between the heads of government of the two countries, Carlos Menem and John Major.

Reddaway, the British Embassy's second in command, described as "an important step in the bilateral relationship" the meeting held between the two heads of government in New York.

Provincial government official sources reported that the diplomat would meet Chubut Governor Carlos Maestro on 24 October, within the framework of a "protocol rapprochement, before probing possible investments."

Upon arriving at the Almirante Zar de Trelew airport this afternoon, Reddaway emphasized: "The confidence between the two governments has grown, which makes cooperation on technical issues easier."

Shortly after arriving in Trelew, where he will remain for four days, Reddaway indicated: "I will gain firsthand

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

information on developments in Patagonia." Reddaway will discuss with local officials "the possibilities following the signing of an agreement on hydrocarbons."

The British Embassy official noted: "We will review the possibilities of employment, industrial development, and infrastructure for the coming years."

In his remarks to the journalists, Reddaway said: "This activity has been included under the famous sovereignty 'umbrella' formula" (which permits advancing on bilateral issues, beyond the discussions on sovereignty).

Reddaway noted that "the stance taken by my country's government" on British rights concerning the Malvinas Islands "has not changed."

Nevertheless, Reddaway acknowledged: "We are actually viewing the possibilities of improving the situation and the confidence between the two countries."

As evidence of this improvement, Reddaway noted: "On 31 October we will hear of a visit by the relatives of the crew of an airplane that was downed (in combat) in 1982." He said it was the islanders who "permitted" this group to go "visit the grave and the monument that was built" where the plane "crashed."

Reddaway said in conclusion: "In other words, there actually are talks. There are more talks, and every year there are more possibilities of working together."

Defense Minister Receives British Military Mission

PY2410015995 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2253 GMT 23 Oct 95

[FBIS Translated Text] Buenos Aires, 23 Oct (NA) — Defense Minister Oscar Camilion today met with Brigadier Marshal Nigel Baldwin, British defense deputy chief of staff, who heads a British mission for the "Program of Argentine-UK Military Contacts."

The British military officer was accompanied by Peter Hall, British ambassador to Argentina, and UK Defense Attache Colonel Robert Lawson.

At the end of the meeting, the two sides explained that the visit was intended to generate gestures of "mutual trust" based on the bilateral agreement signed when the two nations resumed their diplomatic relations in Madrid in 1990.

The officials discussed the exchange of information on international peace missions, voluntary military service, the return of the military to civilian life, and the results of the last Meeting of Defense Ministers of the Americas.

In the evening, the foreign military officers were invited to a reception hosted by their country's embassy. Tomorrow they will tour the Argentine Center for Peace Operations Joint Training (Caecopaz) at Campo de Mayo, the National Military College, the Rio Santiago Naval Military School, the Military Aviation School, and the Fourth Airborne Brigade located in Cordoba.

The British delegation's agenda will end on 26 October with a meeting with Argentina's highest military authorities.

Menem Meets Chirac, Other Leaders at United Nations

PY2310230195 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2319 GMT 22 Oct 95

[Report by unidentified NA special correspondent]

[FBIS Translated Text] New York, 22 Oct (NA) — French President Jacques Chirac today told his Argentine counterpart Carlos Menem that French entrepreneurs "are viewing Argentina as an ideal country for making investments." In this regard, Chirac did not rule out the possibility of France's continuing to participate in the privatization processes being implemented by the Argentine Government.

Menem and Chirac held a one-hour meeting on the Waldorf Astoria Hotel's ninth floor this afternoon. During their meeting, the Argentine president confirmed his government's opposition to the nuclear tests that France is carrying out in the South Pacific.

During his visit to New York today, the Argentine president's meeting with the French president was a key event.

The meeting was held after the Argentine president participated in the opening session of the special assembly marking the 50th anniversary of the establishment of the United Nations.

Menem went to the United Nations building in the morning. There, he participated, along with 160 other presidents, in the opening session, which included the participation of UN Secretary General Butrus-Ghali and U.S. President Bill Clinton.

The UN session was held under severe security measures, involving hundreds of New York City policemen who virtually cordoned off the streets around the "Crystal Palace."

The Argentine president was relaxed and cheerful. He shook hands with Cuban leader Fidel Castro, Russian President Boris Yeltsin, and Palestinian leader Yasir 'Arafat before the UN session.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Argentine president's agenda also included meetings with U.S. bankers and entrepreneurs. He confirmed to them the economic policy currently being pursued. Menem pointed out that this economic policy "is strongly linked to and supported by the political leadership, as also happens in the developed nations."

Menem made these remarks during a meeting with bankers at the Waldorf Astoria Hotel and subsequently during a lunch with entrepreneurs and financiers at the River Club of Manhattan.

On 23 October, the Argentine president has been scheduled to meet Israeli Prime Minister Yitzhaq Rabin and British Prime Minister John Major, culminating a round of significant political encounters during the UN summit.

Today, the president met Chirac, who extolled Menem's figure and the progress of the economic program.

During their meeting, the two presidents viewed details of a visit that Menem would pay to France in February 1996 and a visit that Chirac would pay to Argentina in 1996.

Emilio Cardenas, the Argentine representative to the United Nations, emphasized that, during the meeting between the two presidents, the human rights issue and the Argentine stance favoring the expansion of the UN Security Council were not raised.

Cardenas said the French president told Menem that his figure "and Argentina's current situation arouse confidence in Europe."

Foreign Minister Urges 'Reasonable' Policies on Cuba

PY2410000795 Buenos Aires TELAM in Spanish 0007 GMT 23 Oct 95

[Report by unidentified special TELAM correspondent]

[FBIS Translated Text] New York, 22 Oct (TELAM) — Foreign Minister Guido Di Tella noted that it is more important to establish reasonable economic policies for resolving the issue of poverty in countries like Cuba than to complain with speeches.

Voicing his opinion of a speech delivered today by Cuban President Fidel Castro at the United Nations, Di Tella said: "The problem of poverty is a very serious problem worldwide." Thus did Di Tella respond to questions posed by journalists at the Waldorf Astoria Hotel in New York.

Castro harshly criticized the developed nations and mentioned the mortality rates resulting from poverty worldwide.

Di Tella noted that "careless and sloppy economic — and sometimes social — policies, or the absence of these policies, in developing nations are significantly contributing" to poverty.

Di Tella also emphasized that "it is unrealistic to assume that the richest countries will carry out a broad charity operation." Nevertheless, he noted that "they actually could increase their support programs, in some cases."

The foreign minister emphasized that "the crux" of the problem, involving the absence of a proposal by various countries to resolve the problem of poverty, "lies in strongly implementing reasonable policies" in the poor nations "rather than making tearful complaints."

Di Tella directly alluded to Cuba, saying that in countries like that "it is not reasonable to have this type of problem." He said: "If (Cuba) has such problems, it is because it has been implementing a mistaken economic policy that fortunately has began to change, and its results will become obvious."

Viewing the most recent opening processes in Cuba's economy, Di Tella said: "Cuba's current actions are more useful than speeches." He thus ended his opinion of the speech delivered this morning by Castro at the opening session of the UN 50th anniversary special session.

Fifth Ibero-American Summit Results Said 'Satisfactory'

PY2310205295 Buenos Aires LA NACION in Spanish 19 Oct 95 p 8

[Commentary: "The Fifth Summit: The Final Outcome"]

[FBIS Translated Text] For anyone expecting the Fifth Ibero-American Summit, which closed in Bariloche yesterday, to produce tangible consequences or fruits affecting, more or less immediately, the future of countries represented at the forum, the results of the summit might appear disappointing.

But if one understands the true nature of this type of conclave, the purpose of which is to encourage in Ibero-American peoples the feeling of belonging to culturally and historically common roots and to explore, with eyes focused on the 21st century, common interests, actions, and strategies that members might jointly develop in the long term, we might say that the results of the meeting were satisfactory.

Beyond Fidel Castro's presence — which at times was absorbing — and the implicit summit demand for an end to the economic blockade against Cuba, matters that were examined in yesterday's editorials, the outcome of the Bariloche summit must be evaluated from the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

perspective of the definitions and general principles that were laid down as the basis for long-term policies.

Within this framework, the most outstanding item is, without a doubt, the firm will of participating countries to promote Latin American and European relations within the framework of the auspicious cooperation agreement that the EU and Mercosur [Common Market of the South] member countries are scheduled to sign in Madrid in December. The emphasis the final document placed on this issue and the reference to talks with Chile and Mexico to reach agreements that aim at strengthening the economic, trade, and political relations among different continental blocs show a will to form a gigantic geographical space, with shared values and bounded by two large historic oceans, where the productive capacity of more than 500 million people can find an adequate path for exchange and growth.

The reiteration that democracy and respect for human rights "are essential values for Ibero-American peoples" and the declaration that we need "to elaborate and apply concrete strategies to fight corruption," which are included among the 41 points of the document on final conclusions, have an eminently declarative sense and express the support for ideals and principles. No one disputes the theoretical legitimacy of these principles, but we know that in practice they are usually denied or ignored. The same thing can be said about statements on drug trafficking, the defense of the environment, and the condemnation of terrorism in all its forms.

The document points out the need to implement coordinated actions to fight unemployment. It was decided that the issue will be at the top of the agenda of the sixth summit in Chile.

The commitment to promote sustainable social development and the accent on the role education must play in this process are aspects that have, in the context of the final declaration, a clear programmatic content. The heads of state and government who met in Bariloche agreed that the social, economic, scientific and technological, and cultural transformations that Ibero-America must face require educational systems capable of developing the abilities required for understanding and implementing those changes.

The fifth summit has exposed, in sum, a valuable number of prospects and good purposes. We must now wait to see if events follow the direction of statements.

Foreign Minister Discusses Cuba, Embargo Policies

PY2110034295 Buenos Aires AMBITO FINANCIERO in Spanish 20 Oct 95 pp 15, 16

["Exclusive" interview with Foreign Minister Guido Di Tella by unidentified AMBITO FINANCIERO reporter at Government House on 19 October]

[FBIS Translated Text] [AMBITO FINANCIERO] To what extent did Bill Clinton influence the Bariloche summit pronouncement against the U.S. embargo on trade with Cuba?

[Di Tella] Clinton is against the embargo. He would offer no resistance to the lifting of the embargo. Nevertheless, he has not aired his views, because if he did, it would cause domestic problems.

[AMBITO FINANCIERO] There was a shift in Argentina's attitude vis-a-vis Castro at the summit meeting. To all outward appearances, President Carlos Menem seemed to boast about his good relations with the anti-Castro movement of Mas Canosa, for example....

[Di Tella] Argentina had imposed three conditions on Cuba for its reinstatement in the inter-American system. The first had to do with the establishment of a market economy. We could not have in the hemisphere a country that did not pursue any kind of economic policy. Cuba does not have, and has never had, an economic policy. The lack of an economic policy was covered up by the Soviet Union's subsidies.

[AMBITO FINANCIERO] What changes has Cuba effected?

[Di Tella] An important change — which has yet not been completed — has occurred in Cuba over the last year spearheaded by [Carlos] Lage. It has made great strides. A second objective is the issue of human rights. No major progress has been achieved in this field, and this is a sine qua non for Cuba's reinstatement in the inter-American system. The third and perhaps the most fundamental of the three goals, is the democratization of the island. Just imagine — if Cuba were to join the OAS now, as some demand, it would have to be suspended the following day, because the OAS now mandates that its members be observant of democracy as we understand it.

[AMBITO FINANCIERO] Did those changes lead Argentina to shift its position on Cuba?

[Di Tella] We have time and again said that the embargo serves only to give Castro an excuse for the dire financial straits in which the island finds itself at the moment. First and foremost, it is an embargo and not

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

a blockade. Whoever argues to the contrary lies, and lies knowingly. If there were a blockade, the U.S. Navy would prevent an Argentine vessel sailing into a Cuban port from getting there. As it is an embargo imposed by a single country among the numerous nations of the world, however important it may be, although it is true that it implies a certain restriction to trade, Cuba can purchase whatever it cannot obtain from the United States in Toronto, Mexico, Spain. This is, in fact, what has been happening. Therefore, the embargo has been utterly ineffective. One could place a country under an effective embargo only if a coalition of countries representing 98 percent of world trade were to join forces to impose it, but one country all by itself ends up facing formidable competition.

[AMBITO FINANCIERO] Still, Castro complains....

[Di Tella] When Castro contends that he has no medicines, what really happens is that he has no money to buy those medicines. If he had money, he would be able to buy them somewhere else.

[AMBITO FINANCIERO] Only Argentina does not seem to have realized that....

[Di Tella] I think that one says things, but one's words fail to impress themselves on people's memory; yet all of a sudden, they gain an insight into them. Argentina's current stance on Cuba differs from the position it had two years ago in that Cuba has leaned toward a market economy. Two years ago, Cubans spoke about implementing a market economy, but with so many provisos.... Still, there is a market economy now in Cuba, even if it is not quite as it should be.

[AMBITO FINANCIERO] Did Argentina follow the U.S. position on Cuba?

[Di Tella] There has been, of late, a fissure in the pro-embargo position in the United States. There is a key article on this written by Representative Hamilton (who was chairman of the House Foreign Relations Committee) and Senator Peery [as published], who is chairman of something else, both Democrats, who faced the reality that the embargo was totally useless.

On the other side, there is the pro-embargo lobby [preceding word in English], which comprises only a part of the Cuban exiles in the United States. There are also the ultraist Republicans. Those sectors, rather than parties themselves, are pitted against each other. All Democrats, except for Torricelli, are in favor of a lifting of the embargo, for example.

[AMBITO FINANCIERO] Who has prevailed now?

[Di Tella] So far the pro-embargo group has gained a measure of success with the Torricelli amendment, which we had criticized as counterproductive. The embargo is only important for the American right-wingers and for Castro, who, each time that it is confused with a blockade, makes merry. He even managed to convince the Pope....

[AMBITO FINANCIERO] How did he manage to do that?

[Di Tella] I do not know; it is a mystery.

[AMBITO FINANCIERO] Who was the promoter of the anti-embargo position at the Bariloche Summit?

[Di Tella] The final declaration was drafted by the Argentine coordinators of the summit meeting. Cuba agreed with that document, but there is an underlying reason for that. The final declaration mentions neither Cuba nor the embargo because the Cubans did not accept that Cuba should be mentioned in the point that dealt with democracy. This is why both points were couched in wishy-washy terms. We believe that if the embargo were to be lifted, there would be a commotion on the island with the flow of new investors, who constitute another lobby. The companies that have enforced a self-inflicted punishment with the embargo and Canadians, Mexicans, and Europeans are as happy as a lark. They have never witnessed so much passion for suffering from self-inflicted harm.

[AMBITO FINANCIERO] Still, Cuba seemed to approve of the outcome of the summit....

[Di Tella] Because they managed to avoid condemnation in the resolution about democracy. Nevertheless, they are running short of excuses while they find themselves embroiled in a commotion of investments on the island such as that already taking place, but much stronger.

[AMBITO FINANCIERO] Did the scheme for collecting on Cuba's debt with Argentina play any role in this?

[Di Tella] Of course, there is also that. We want to have Argentine investors who are willing to purchase nonquestionable assets in Cuba for $1.2 billion. Yet, if the embargo were to be lifted, we would have more competitors.

[AMBITO FINANCIERO] Do you attach any political importance to Argentina's vote on Cuba?

[Di Tella] It was Cuba that underwent change. Of the three changes that it had to initiate, however, it effected only one. Two are still lacking.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Brazil

Cardoso: 'Concept of Demands Must End'

PY2010135795 Sao Paulo AGENCIA ESTADO in Portuguese 1331 GMT 20 Oct 95

[FBIS Translated Text] Sao Paulo, 20 Oct (AE) — "Brazil will draft its patents law when it wants and in the way it wants, calmly." This statement was made in Sao Paulo by President Fernando Henrique Cardoso before departing for Belem, from where he will go to the United States. The president thus replied to demands for compliance he might hear in the United States over the delayed definition of the patents law. "No demands for compliance will be made to Brazil. The concept of demands must end," the president said, adding that the idea of "demands" typifies underdeveloped countries.

Cardoso: EU, Mercosur Hope To Sign Accord in Dec

PY2010003495 Sao Paulo AGENCIA ESTADO in Portuguese 2156 GMT 18 Oct 95

[FBIS Translated Text] Brasilia, 18 Oct (AE) — The EU and the Mercosur [Common Market of the South] countries will probably sign a bilateral accord on trade relations in December. President Fernando Henrique Cardoso made this announcement during the reception he hosted for Spanish Prime Minister Felipe Gonzalez, who presides over the EU. Cardoso said: "This is one more step toward strengthening relations between Brazil and Spain. It is a wide step that will have a very great historic transcendency."

Cardoso pointed out that this accord will have positive consequences to all countries involved. "Prime Minister Felipe Gonzalez said many times that this accord was a strategic option," the president said. He added: "It is mutually strategic: It is an important decision for the EU as well as for the Mercosur, because it is a decision that binds people and does not estrange anyone."

According to the president, the agreement seeks to establish closer contacts with other parts of the world. He said: "Among these contacts I include NAFTA (common market involving the United States, Canada, and Mexico), the countries that are not aligned in any regional bloc, and the Asian countries." Cardoso added: "Brazilian-U.S. relations have never been so favorable and this may be why this strategic option has had more weight."

In his speech, Cardoso emphasized that Brazil wants to increase Spain's presence in this new phase of its national history. "With its experience in the field of telecommunications, its participation in joint ventures [preceding two words in English] in other Latin American countries, and its know-how in areas such as that of railroads and electricity generation, Spain now has the required conditions to participate in this fortunate moment of Brazilian history," the president said.

Gonzalez said the Spanish entrepreneurs are increasingly more interested in investing in Brazil and that the accord to be signed by the EU and Mercosur has two dimensions: "A trade/economic dimension and a political dimension." The Spanish prime minister praised Cardoso and said that he is willing to work to make the two countries increase, even more, the ties that bind them.

Today, Cardoso and Gonzalez will attend the first meeting of the Brazil-Spain High-Level Committee. During the meeting, issues that are of common interest to the two countries will be debated. This committee will accompany the implementation and evaluate the results of the Brazil-Spain Cooperation and Friendship Treaty, which was signed in Madrid in 1992 and has been in force since 1994.

Spanish Prime Minister Meets Opposition Leaders

PY2010222595 Madrid EFE in Spanish 2227 GMT 18 Oct 95

[FBIS Translated Text] Brasilia, 18 Oct (EFE) — Spanish Prime Minister Felipe Gonzalez conferred here today with leaders of the two main Brazilian opposition parties: the Democratic Labor Party (PDT) and the Workers Party (PT).

Gonzalez met first, at the Spanish Embassy, with PDT President Leonel Brizola. Brizola, a longtime Social Democrat, is a politician who ran several times for president and who served as governor of the states of Rio de Janeiro and Rio Grande do Sul.

Gonzalez is a longtime friend of Brizola — who is the leading opponent to the Fernando Henrique Cardoso adminstration — because their two parties are members of the Socialist International (SI).

Brizola said Gonzalez emphasized the agreement the Common Market of the South (Mercosur) and the EU are scheduled to sign in December.

Brizola added that he had told Gonzalez that it will be "the multinational companies, not the South American peoples," who will be profiting from the South American integration.

The PDT leader told Gonzalez that the Cardoso administration "is the most neoliberal among all neoliberal governments," and that it is planning to sell the major Brazilian state-owned companies, "which have been symbols of the Brazilian national identity."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Gonzalez had also invited PT leader Luiz Inacio Lula da Silva, a socialist and former union leader, but Lula could not arrive on time for the meeting.

In Lula's absence, Gonzalez conferred with PT President Jose Dirceu and with Deputy Jacques Wagner, the PT leader in the Chamber of Deputies.

Gonzalez Supports 'Intensified' European Presence

PY2010002095 Madrid EFE in Spanish 1819 GMT 18 Oct 95

[FBIS Translated Excerpt] Brasilia, 18 Oct (EFE) — Spanish Prime Minister Felipe Gonzalez today said that, after having had relations predominantly with the United States for many years, he thinks Europe should establish a "South Atlantic dimension" in the field of politics as well as in the field of trade.

Gonzalez, who will preside over the EU for the last six months of the year, said during his official visit to Brazil that European presence in this country and the rest of the continent must be intensified in view of the "great opportunities" the region offers, especially from the entrepreneurial point of view.

At a news conference, during which he evaluated his 24-hour visit to Brasilia, the Spanish prime minister said that European entrepreneurs are aware of Brazilian political stability and of the economic changes occurring in the country.

In the morning, Gonzalez met Brazilian President Fernando Henrique Cardoso and the presidents of the Chamber of Deputies and the Senate, as well as the president of the Federal Supreme Court. [passage omitted]

Spain, as a country and as a member of the EU, wants to correct a situation that Gonzalez deems "delicate" from the political viewpoint because, in the economic field, the EU countries are the largest investors in the Mercosur [Common Market of the South] and number one partners of Ibero-American countries. [passage omitted]

Reportage on Cardoso Activities in U.S.

Addresses UN Session

PY2410005395 Sao Paulo AGENCIA ESTADO in Portuguese 2101 GMT 23 Oct 95

["Text" of speech by President Fernando Henrique Cardoso to the UN General Assembly on 23 October]

[FBIS Translated Text], New York, 23 Oct (AE) — Mr. President:

I want to express Brazil's pride in observing that this historical session is being presided over by an illustrious representative of Portugal.

Fifty years ago, the delegates who signed the San Francisco Charter hoped to create a better world in which peace would be possible thanks to institutions capable of guaranteeing the best spirit of cooperation among peoples.

The United Nations, as every single project of man, attained accomplishments and failures. Throughout its history, however, something very important was preserved: The feeling of hope. It is now time to renew it.

What do our peoples expect from us now? What do they expect us to do for the United Nations?

I am sure that the consensus is for the United Nations to be the firm guardian of the norms and principles that rule relations between states, and that ensures and guarantees that these norms are respected and complied with, thus providing solid bases for the international order.

The United Nations should have efficient instruments with which to reconcile parties in conflict and prevent conflicts; it must also promote development formulas based on equality.

Humanity desires that the United Nations permanently defend human rights and combat all kinds of discrimination and tyranny.

Mr. President, we are now experiencing better times than existed 50 years ago.

The end of the Cold War has relieved the international agenda of the tensions generated by ideological conflicts and it has allowed an increasing understanding of the values of democracy, economic freedom, and social justice.

New spaces of international cooperation have opened. The various conferences sponsored by the United Nations on the environment, population, women, human rights, and social development are characterized by the common denominator of the search for a dignified standard of living for all peoples and for each individual.

The central subject of international debate is, therefore, human progress.

Besides the subjects of those conferences, contemporary life presents new challenges that deserve the attention of the United Nations.

We must work to overcome, within the complex framework of globalization, the persisting situation of social and economic imbalances that generate anguish and a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

feeling of exclusion. The objectives of sustainable development cannot be abandoned.

The line between conviction and hypocrisy is very thin. Many times, words, regardless of how enthusiastic they may be, are not followed by actions. Perhaps that is the great challenge that we must face together: To pass from words to actions.

Countries that are stricken by poverty, that still find elemental difficulties in solving the debt problem of which they are victims, or whose populations are still victims of violence or lack of respect for human rights, should find in the United Nations a symbol of hope that their situation will change.

We must likewise work in favor of spreading the extraordinary progress of science and technology to benefit everyone. In the case of international peace and security, the role of the United Nations cannot be replaced. On other issues, the United Nations will help us to think together, guide our decisions, and create new standards of legitimacy.

On all these subjects, our peoples expect their leaders to be capable of establishing a permanent dialogue based on truly universal values, inspiring regional organizations and individual countries in favor of peace, development, and cooperation.

Each one of our countries must contribute so that the United Nations has the material means to comply with the missions we have entrusted it with.

It is inadmissible that the United Nations be experiencing its worst financial crisis at a time when leaders of the entire world are meeting to reassert their commitment to the UN Charter.

Let us be frank. We are commemorating this 50th anniversary with an ambiguous feeling, with a United Nations forced to seek solutions with which to cover its great deficits, deficits that could paralyze it precisely when its prospects are at their best. We must find a lasting solution to this impasse.

Mr. President, I have come today to reassert the Brazilian commitment to struggle for a strengthened and active United Nations.

This is not a new commitment. It is a commitment in keeping with the history of Brazil's relations with the United Nations since the founding of that organization, since Brazil sent troops to Europe to fight in World War II for freedom and democracy. This is a history of participation, of defending peace and development, which now leads us to a will to assume growing responsibilities within the deliberations of the United Nations.

This is the moment of celebrating the reassertion of the ideals of peace and justice which, 50 years ago, led to the creation of this great feat of human spirit that is the United Nations. For this commemoration, the government and people of Brazil reassert their willingness to transform their words into actions, to surmount the thin line that, as I just mentioned, could give the impression that words are hypocritical, and that there is no action. Therefore, I invite you to take action as soon as possible. Thank you very much.

'Subtly' Asks Clinton for Support

PY2310145595 Sao Paulo AGENCIA ESTADO in Portuguese 2247 GMT 22 Oct 95

[Report by Ricardo Amaral]

[FBIS Translated Text] New York, 22 Oct (AE) — During a five-minute meeting today with U.S. President Bill Clinton at the UN Building, President Fernando Henrique Cardoso subtly insisted on Brazil's ability to hold a permanent seat on the UN Security Council. Cardoso gave Clinton a copy of the memoirs of Cordell Hull, the U.S. secretary of state during World War II, who coordinated the creation of the United Nations. The book was opened at page 1,678, on which Hull vents both his frustration and that of President Franklin Roosevelt for not having managed to include Brazil on the UN Security Council in 1945.

According to a U.S. diplomat who attended the Clinton-Cardoso meeting, Clinton good-humoredly said: "I have always agreed with everything Roosevelt said." Although Brazil has used indirect ways to keep its UN bid alive, Cardoso will probably choose not to mention the issue in the speech he is scheduled to deliver on 23 October to mark the 50th anniversary of the United Nations. "Commenting on the book, Clinton praised the shrewdness of our diplomats," Cardoso said after the meeting.

The U.S. President told Cardoso that his wife, Hillary, was impressed during her recent visit to Brazil and that, in light of what she had told him, he felt "like taking the next flight to Brazil." Cardoso replied: "Why don't you do that now"? A formal invitation has already been extended to Clinton to return Cardoso's visit to Washington. Cardoso described Brazilian relations with the United States as excellent, despite the fact that the Brazilian Congress has not yet approved the Patents Law. Although this is a subject of interest to the United States, it was not on the agenda.

Another issue raised during the brief meeting was drug trade. Responding to Clinton, Cardoso argued that this is an international problem and noted that he had

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

sent to the Brazilian Congress a draft law creating legal mechanisms for tracking drug money. One article of the constitutional tax reform proposal provides for the lifting of bank secrecy on those charged with involvement in the drug trade.

Meets With Yeltsin, Other Leaders

PY2310162195 Sao Paulo AGENCIA ESTADO in Portuguese 2050 GMT 22 Oct 95

[Report by Ricardo Amaral]

[FBIS Translated Text] New York, 22 Oct (AE) — Russian President Boris Yeltsin has offered to cooperate with Brazil in the peaceful use of nuclear energy. Yeltsin was one of the presidents with whom Cardoso met this morning at the UN Building. The Russians banned photographers from the Yeltsin-Cardoso meeting but, according to an official report, Yeltsin was "feeling fine and in a lively mood." Cardoso invited him to go fishing in the Pantanal region of Brazil.

This is not the first time Russia has offered nuclear cooperation to Brazil. Yeltsin noted, however, that the time has come to move from agreements of intent to practical business. Yeltsin said: "Our countries face challenges that need to be addressed immediately. We have little time." Russia is also interested in agreements in the exploitation of space. Cardoso suggested using the Alcantara base in Maranhao to launch satellites. Cardoso said: "Alcantara is in a privileged location."

Yeltsin will probably visit Brazil in April 1996, returning the visit Cardoso made to Russia in October 1994, right after his electoral victory. Cardoso told Yeltsin that there are promising trade prospects between the two countries. Cardoso said: "I already own a Lada car and my daughter-in-law gave me a Russian-made coat."

Before meeting Yeltsin, Cardoso met with Guyanese President Cheddi Jagan; Venezuelan President Rafael Caldera; and Irish President Mary Robinson. The Irish prime minister will be the EU president in 1996. Robinson offered her country as a port of entry for Brazilian investments in Europe. Cardoso answered by offering Brazil as a port of entry for Irish investments in Mercosur [Common Market of the South]. He told her Irish investments would be welcome, especially in the area of telecommunications.

Cardoso held his longest meeting with Caldera, who sought a briefing on the Real Plan which, according to the official communique, is seen as an outstanding experience in Latin America. Cardoso said the plan could be implemented without dolarizing the Brazilian economy because Brazil had large international reserves. He said the Real Plan has overcome the exchange problems that affected Mexico and the unemployment that affects Argentina, and preserved the financial system — which has collapsed in Venezuela.

'Shocked' at Desired Pace

PY2410025895 Sao Paulo AGENCIA ESTADO in Portuguese 2241 GMT 23 Oct 95

[By Ricardo Amaral]

[FBIS Translated Text] New York, 23 Oct (AE) — During his three-day visit to the United States, where he attended the commemoration of the UN 50th anniversary, President Fernando Henrique Cardoso brightly exercised his devotion to diplomacy. He had formal meetings with 12 heads of state, including U.S. President Bill Clinton, French President Jacques Chirac, and British Prime Minister John Major. The last activity scheduled for today — receiving the world statesman award — will give further brightness to his performance. The award will be granted by the "Conscience Appeal" organization, which every year honors a government personality and an entrepreneur for their outstanding performace in defense of democracy and human rights.

The award granted to Cardoso, which was also granted to Nestle world president Helmut O. Maucher, was praised by President Clinton in a letter sent to the organization.

In his letter, Clinton said that Cardoso's career has been marked by his commitment to democratic values. Clinton added that the Brazilian president is "a bright example that other leaders should imitate."

Yet during those days of hectic diplomatic contacts, no one amused Cardoso as much as Russian President Boris Yeltsin, to whom he said that in Brazil he — Cardoso — functions as both the president and the prime minister. Cardoso was shocked at the pace that Yeltsin wanted to give to Brazilian-Russian relations. The two leaders met on 22 October, when Yeltsin immediately said he would visit Brasilia in April, a visit which, according to diplomats of the two countries, will be impossible to realize. Yeltsin, however, did not give up: "Let us arrange this right now. Do you have a prime minister?" he asked. "It's me," the Brazilian president answered.

"A mentally objective, discreet person who can resolve such things," Yeltsin insisted. "I do have one," Cardoso replied. "It is my vice president, Marco Maciel." Yeltsin replied "Maciou?" "Ma-ci-el," Cardoso corrected, while diplomats were trying not to laugh. Cardoso invited Yeltsin to a hunt in Mato Grosso's Pantanal. Later, fearing a reaction from environmentalists and from Ibama [Brazilian Institute for Environmental Affairs and Renewable Natural Resources], Brazilian diplomats and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the president himself released a politically correct note saying that the invitation was for fishing.

Even after acknowledging that he is both president and prime minister, and with inflation under control, Cardoso once again refused to talk about reelection. "It is inappropriate; it is neither elegant nor ethical for a president to address such issues, he said today in an interview. [no end quotations as received] "It is up to Congress to decide on the presidential term and on the possibility for reelection." Presidential advisers said that Cardoso does not want to discuss reelection now. "I have only been in office 10 months. It is not time to talk about that," he said.

Sen. Magalhaes Says PFL To Back Administrative Reform

PY2310172095 Sao Paulo AGENCIA ESTADO in Portuguese 1846 GMT 22 Oct 95

[Report by Ricardo Amaral]

[FBIS Translated Text] New York, 22 Oct (AE) — President Fernando Henrique Cardoso and Senator Antonio Carlos Magalhaes (PFL) [Liberal Front Party] are excellent travel companions. Magalhaes, who is chairman of the Senate Foreign Relations Committee, has naturally managed to fit the Brazilian delegation in to the celebrations marking the 50th anniversary of the United Nations. They attended ceremonies, visited a friend, and went to a theater together. Magalhaes went as far as breaking a good news to the president: He told Cardoso that the PFL bloc will approve the administrative reform bill at the Constitution and Justice Committee [CCJ] on 24 October.

Thirteen of the 51 CCJ members are PFL members, including Deputy Roberto Magalhaes (Pe) [Pernambuco State], who is the chairman and who has practically broken ranks with the administration. In remarks to reporters at the lobby of the Intercontinental Hotel, Sen. Magalhaes said: "The CCJ chairman does not vote." He believes the administrative reform proposal should be broader, but even as it is now it deserves the PFL support. He adds that some deputies are harboring the "political illusion" of preserving electoral turfs by defending job security of public servants.

Sen. Magalhaes has thus again played in tune with his son, Luis Eduardo Magalhaes, who is the president of the Chamber of Deputies and who believes the PFL should support the administrative reform. This has been an excellent news for President Cardoso taking into account that the Economic Bank crisis has not yet been resolved. Cardoso and Sen. Magalhaes were on the brink of breaking relations in August over the Central Bank intervention in the Economico Bank. They both mended fences during a private luncheon three weeks ago.

The trip to the United States has been the best opportunity since then for Cardoso and Magalhaes to publicly show that they have indeed mended fences. Magalhaes and Cardoso went to Washington on 21 October to visit Brazilian Ambassador Paulo Tarso Flecha de Lima, who is recovering from a cerebrovascular accident he suffered in August. The visit, which lasted for more than two hours, was held in a relaxed atmosphere. Flecha de Lima, who takes physical therapy exercises four hours daily, jokingly said: "As you can see, my brain still works."

Planning Minister Assesses Economy

PY1910223095 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Oct 95 p B9

[Interview with Planning Minister Jose Serra by Suely Caldas; date and place not given]

[FBIS Translated Text] [Caldas] Some people think that the designation of Luiz Carlos Mendonca de Barros as president of BNDES [National Bank for Economic and Social Development] has expanded your political elbow room in the economic area. What do you think of that?

[Serra] When faced with Edmar Bacha's inevitable resignation, we considered several names. In my capacity as the official in charge of the area, I proposed several alternatives to the president about persons who might be invited. The election of Mendonca de Barros was also made by the president, and the opinions of Bacha and Civilian Household Chief Clovis Carvalho were also heard. Only Finance Minister Pedro Malan was not directly engaged because he was in the United States. Yet he expressed to me his great pleasure over the designation.

Now, this idea of elbow room in the economic area is nonsense. Strictly speaking, Bacha and myself have so far had no disagreement whatsoever. Mendonca de Barros has a strongly independent line of thought. I understand the existence of speculation, but it is unjustified.

[Caldas] Is there then full agreement over economic matters with the Finance Ministry team?

[Serra] Saying that there are disagreements over specific topics is quite different from saying that the changeover at the BNDES can increase or reduce political elbow room. There is no relation between those two things. As Minister Malan put it, and I reiterate, we have no disagreements over the essential aspects of the Real Plan. There is no such thing as fighting for room within

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the economic team, just as there is no link between some opinions and the struggle for elbow room.

My main concern, which is also that of Malan, is the success of the real [R] and economic growth with stability. This objective dissolves all disagreements. This is why they have not turned into political problems, despite the insistence of many people.

[Caldas] The selection of the BNDES president was controversial. The entrepreneurs who recognize Mendonca de Barros' competence recall that when he was Central Bank director, the Planibanc, of which he was a partner, made fabulous profits. There was no evidence that he favored the bank, but the doubts did not fade. After the [former Economic Coordination Secretary] Jose Milton Dallari case, isn't it risky for the government's image to bring a private sector banker to direct a state bank?

[Serra] If Mendonca de Barros had managed enterprises that made losses, if he had been unsuccessful in the financial area, the criticism would have been that he is an incompetent entrepreneur. I frankly believe the matter is irrelevant. Mendonca de Barros is properly trained for a public post, and I am convinced he will have a very good performance at the BNDES, and that he will properly meet the challenges that the BNDES will face.

The government needs people emerging from the public sector, from the university, but also from the private sector. This is essential, because if we adopted a radical position, we would have to dismiss employees coming from the private sector. It would be impossible to have, at the Ministry of Industry and Commerce, someone working in commerce or in industry. It would also be impossible to designate someone from the agriculture sector to the agriculture portfolio. It would also be impossible to have deputies and senators linked with entrepreneurial activities who are members of economic commissions. And so forth.

I believe the evaluation of public servants' qualifications must be based on their capacity, competence, and honesty. I am not aware of anything that has affected Mendonca de Barros' honesty.

[Caldas] What are your plans for the BNDES, taking into account that it is responsible for the industrial policy?

[Serra] The BNDES is crucially important at this moment in which the government is withdrawing from the entrepreneurial area and from a large part of public services. This gives rise to a relevant topic: How is it possible to finance the infrastructure and the operation of services under private control? In this regard, the bank plays an essential role. The point is how to even link this financing mechanism with privatization funds.

Over the past few years Brazil has strongly integrated itself within the international economy, from a financial viewpoint. Yet not all the benefits of such integration have as yet been felt. Among such benefits are the international and private long-term financing mechanisms that are available in other countries. Brazil is barely benefiting from them, and the BNDES will coordinate this action. Mendonca de Barros has the ability to do this job, because he is one of the best Brazilian financial engineering professionals.

[Caldas] Any new ideas in the area of privatization?

[Serra] In our opinion, the fundamental thing in relation to resources, which will be obtained through privatization, is to reduce the burden of the governments' debts. How can we do that? You can think that the idea is to deduct the resources directly from the public debt, but there are other paths. It is also possible to create a fund allowing the issuance of certificates with longer terms and lower interest rates. This is a way of replacing the debt.

But this is not all. We can also think about depositing in this fund shares of state-owned companies in order to an advancement on the revenue to be obtained from privatization. After all, it is fundamental to define the links between the sale of state-owned companies, the rescheduling and reduction of the public debt, the financing of the infrastructure, incentives to privatization, and the advancement of the privatization revenue.

In the case of telecommunications, for example, the privatization process takes years, but it is obvious that the shares of the telephone companies increase their value once the privatization process begins. The idea, therefore, is to have shares of these companies acting as ballast in the fund, including for the issuance of certificates, as a basis to the financing of infrastructures, and so forth. This is a way of advancing results, right? The implementation of this sort of thing, however, is very complicated.

[Caldas] In what stage is the creation of this fund?

[Serra] It is at the discussion stage. We are debating these questions with the department in charge of creating the fund. The members of this department make up the most talented cadre and the government can resort to them.

[Caldas] When will the fund be completed?

[Serra] I believe that by the end of March 1996, we will have taken all important steps in this direction.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Caldas] The implementation of this fund depends on regulation laws. The Senate, however, still has not approved most of the reforms that precede these regulation laws.

[Serra] The legal framework to speed up this process has been practically established. The problem is different; it consists of creating the rules for the telecommunications area. In the electricity-generating area, for example, the problems are extremely complex: There is a huge number of owners (federal and state governments), there are three stages of activities — generation, transmission, and distribution — and a complex problem related to utility rates to be solved.

[Caldas] Which would be the consequences of this new privatization model?

[Serra] The fund will have the effect of rescheduling and reducing the public debt and of advancing and multiplying the resources. I will give an example: You can use 1R of this fund to refinance a state government's debt, as long as the state adds R1 resulting from the privatization of its own companies. This represents an incentive to privatization and stimulates the state governments to sell their enterprises.

[Caldas] Do the state governments really have to sell their companies? Does this help overcome the crisis?

[Serra] We must admit that the state governments are facing a very serious financial crisis and that this crisis is not a result of revenue levels that can possibly be deemed mediocre. Very much the opposite, the states' revenue has increased very fast since the promulgation of the new Constitution and, particularly, after the implementation of the Real Plan.

The thing is that the state governments have increased their costs very much as a result of the generous salary increases that were granted at the end of 1994, which was an election year. In the past, this was not a problem because the high inflation rate ate up the readjustments. Now, things are different. Expenditures with the legislative and judicial branches have also increased markedly, by 60 percent in real terms, since the promulgation of the new Constitution.

[Caldas] The governors are complaining about the effects of the high interest rates over the public domestic debt.

[Serra] The public domestic debt is the problem of four states, which are the largest ones: Rio Grande do Sul, Sao Paulo, Minas Gerais, and Rio de Janeiro. As a matter of fact, the debt is not being paid because it has been rescheduled. As a result, its payment is not hindering the payment of the other debts. It is unquestionable, however, that this debt has been increasing as a result of the interests charged on it. At the end of 1991, the public domestic debt of state and county governments was equivalent to 2.4 percent of the GDP. At the end of 1994, it jumped to 4.6 percent of the GDP. This August it increased to 5.4 percent, and in 1996, it can stand at nearly 6.5 percent of the GDP.

[Caldas] What is the solution to the insolvency of the state governments?

[Serra] The impact costs have on expenditures can only be solved through the administrative reform. This is why this reform is the most important one currently in Congress. At the same time, the stability of prices and the continued economic growth have made it possible to expand the state governments' revenue. Therefore, if expenditures are controlled, it will be possible to solve the insolvency problem in the medium and long term.

[Caldas] The economy will have been growing when 1995 ends, but from May to September economic activities retracted strongly and resulted in unemployment. Has the government mistakenly adopted too strict economic restrictions?

[Serra] I still think that it is not only desirable, but also possible, to have economic growth and at the same time consolidate the economy. This year, the economy will grow as much as it did in 1994. We estimate that it will also grow around 5 percent in 1996.

What happened is that from January to June, the economy was like a car going at 180 km per hour, and from July to December it became necessary to reduce this speed very much in order to balance the situation. If we had not done so, we would have faced balance-of- payment problems. Let's say that currently, the trade balance functions as a No. 1 factor in restricting economic growth.

[Caldas] Some indexes have been registering deflation. There is more control over the stability of prices. Wouldn't this be the moment to accelerate the drop in interest rates and reduce unemployment?

[Serra] There are clear signs that the level of economic activity is increasing right now. The indexes of the stores indicate that. Interests rates clearly dropped in October. What happened is that the real, non-nominal, interest rate increased in August and September as a result of the decreasing inflation rate, but the real interest rate dropped again in October.

[Caldas] The country will have a very high current account deficit. It will be much higher than the one the government expected before the Mexican crisis. Can this

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

fact create problems to our economy as it has occurred in Mexico?

[Serra] First, it is important to understand that the deficit registered in this year's current transactions does not reflect an economic trend. It reflects the year's average. Therefore, it includes the first months of the year, when extremely high trade deficits were registered. It does not, however, reflect the marginal trend. Second, in our current situation, this deficit can be perfectly financed through the admittance of foreign capital into the country.

[Caldas] This sort of investment, however, is volatile and short- term, and does not offer any guarantee.

[Serra] The government has been making an effort to extend the financing lines by selling bonds. This sort of operation is having success and is stimulating investment.

In addition, different from what occurred in Mexico, the Brazilian Government has taken action, has made the exchange policy more flexible, and has curbed the overevaluation of the real, i.e., it has not allowed any additional evaluation. The government has even taken measures in the field of trade that have been producing results. We can cite as an example the measures the government adopted with regard to car imports. What President Cardoso said at the beginning of the year about the "imports' spree" has ended, at least in relation to some products.

Finally, it is important to be clearly convinced that the government, the president of the Republic, and the economic team are very alert in this regard, precisely to avoid having a crisis similar to the Mexican one in Brazil. I am convinced that no such crisis will occur in Brazil.

[Caldas] Is the exchange rate, therefore, at the perfect level?

[Serra] I do not discuss exchange rates and interest rates in public because this sort of discussion always generates interpretations that lead to speculation. I do not think it appropriate for economic area officials to discuss these issues publicly. I can say, however, that I do not see any dramatic, significant change being implemented in the exchange rate area.

[Caldas] How will the government accounts be at the closing of this year?

[Serra] The federal government accounts are under control. Naturally, it requires a hard and permanent struggle to keep them under control. The deficit level will be near zero. As a result of the January veto and the measures aimed at reducing consumption, which were adopted during the year, we have implemented cutbacks of nearly R13 billion in this year's budget. I am sorry to say that, because the ideal thing is to be able to have more expenditures. The objective of achieving balance, however, is previous and superior to all the other objectives because balance is very much related to stability.

[Caldas] In a seminar, however, the director of the Central Bank International Department, Gustavo Franco, said that the interest rates were high because the government still had to implement the fiscal adjustment and privatizations were happening slowly.

[Serra] I have not heard any such comment. What I can say, however, is that my evaluation of public accounts is shared by the Finance Ministry. Fiscal adjustment is a process.

Nevertheless, if you ask whether the process has advanced very much, I would say yes. In the second half of the 1980's the average public deficit was 5 percent of the GDP. In the first half the 1990's, it dropped to 0.5 percent. This is an exceptional result and surpasses the Argentine level. The federal government accounts are being controlled with an iron fist. The expenses that have increased this year were the result of high interest rates; transference of resources to the state governments as established by the Constitution; and salaries, which were increased as a result of readjustments granted last year.

[Caldas] What is your position regarding the amendment that allows presidents to be reelected?

[Serra] I am in favor of it.

[Caldas] Beginning with President Cardoso?

[Serra] Yes, I believe so, because this position is a result of a previous political deliberation.

[Caldas] You will, therefore, run for Sao Paulo governor?

[Serra] No. I am a candidate only to helping President Fernando Henrique Cardoso make things go right. At present, none of my actions pursue electoral objectives.

[Caldas] Why is there such a bitter conflict between you and former Minister Ciro Gomes?

[Serra] I don't know. The only thing I want to say is that this conflict is unilateral and I did not start it.

Roundup of Economic Reports Through 20 Oct

PY2110023095

[FBIS Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 20 October:

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BASIC LEADING INDICATORS

The Central Bank, BC, reported on 20 October that, in cash terms, the national exchange reserves jumped from $45.776 billion at the end of August to $46.614 billion at the end of September. In terms of international liquidity, the reserves increased from $47.660 billion in August to $48.713 billion in September. (Sao Paulo AGENCIA ESTADO in Portuguese 1300 GMT 20 Oct 95)

FINANCIAL OPERATIONS

On 23 October, two Brazilian state-owned companies will enter the Japanese market: the Petrobras, Brazilian Petroleum Corporation, through the Nomura Securities, and the Eletrobras, Brazilian Electric Power Company, Inc., through two associated companies, the ABN Amro Bank-Daiwa Securities. Each company will attract 10 billion yen (nearly $98 million at the 20 October exchange rate). Petrobras has granted the use of its eurobonuses, in yen, to Nomura, with a 5.7 percent tax. Since the accord was reached between the two companies, however, the exchange rate between the dollar and the yen changed, and Nomura decided to offer Petrobras part of the profit resulting from this change. This means that the tax established on the Petrobras eurobonuses will be much lower than the authorized 5.7 percent. Market rumors indicate that the Eletrobras/ABN Amro/Daiwa operation will have a 5.2 percent tax. (Sao Paulo GAZETA MERCANTIL in Portuguese 16 Oct 95 pp B1, B3)

After growing more than the national gross domestic product in the last two years — 5 percent in 1993 and 7.5 percent in 1995 — the Minas Gerais State economy continues at the head of the state governments' economies. More than $15 billion will be invested in the state between 1995 and 1998. Most of the investment will be made in the area of electricity — which will receive $2.5 billion in investment from the Minas Gerais Electric Powerplants, Inc., the federal government, and the private area — and the area of telephony — which expects to receive a $2.1 billion in investment up through 1998. The largest private enterprise in the state, Fiat Automobiles, plans to invest $2.1 billion in the same period. Also included are the Rio Doce Valley Company, which will invest $1.2 billion, and the iron and steel mills that have been growing since the area has been privatized. These millls plan to invest some $2 billion up through 1998. Petrobras plans to invest $200 million to expand the Gabriel Passos Refinery, in Betim. Several projects will be implemented through the Institute for the Industrial Development of Minas Gerais, Indi. They represent an investment of $897.7 million and the creation of 9,771 new jobs. One of the most recent investments defined with Indi's assistance is the installation of a beer can manufacturing plant by American National Can, the initital cost of which is estimated at $90 million. Another important project involves the exploitation of a nickel mine of the Serra da Fortaleza Mining Company, of the RTZ Mineracao group. This project will require a $233-million investment. (Sao Paulo GAZETA MERCANTIL in Portuguese 16 Oct 95 p A11)

Historically, the second half of a year is better for enterprises than the first one. This time, however, the 30 June balance sheets the open-capital enterprises handed to the stock markets show mostly good results. An analysis conducted among 141 enterprises of the 21 areas of national production indicate a 656-percent consolidated profit in the first half of the year, if compared to the same period in 1994. The number of companies having losses has decreased from 40 to 30. Not included in the analysis were the financial companies and the companies, like Mesbla, that have called for a composition of creditors. The areas that had more profit in the period were those of beverages and electro-electronics. They recovered more than 6 percent of their assets. These were followed by compannies dealing with the food area. Sadia Concordia, which works with grains and commercialized meat, had a 1.563 percent profit. Ceval and Frangosul also improved their profits, while Perdigao jumped from a $25 million loss during the same period in 1994 to a profit of $11.5 million. The capital goods companies, which had a 3.47 percent loss in 1994, had profits amounting to 8.8 percent. Commercial airlines and car parts manufacturing companies, however, have experienced losses thus far this year. (Sao Paulo GAZETA MERCANTIL in Portuguese 17 Oct 95 pp 1, C4)

Victor Manuel, assistant superintendent of the Petrobras industrial department, has reported that a consortium made up of Nissho Iwai, Marubeni, Mitsubishi, C.I.T.T.O.H., Sumitomo, and Tomen Corporation is willing to construct the refinery Petrobras wants to build in the Northeast Region. The project will represent a $1.5- billion investment. According to Manuel, the construction of the refinery will probably begin next year and end in 1999. In the next five years, Petrobras will have to invest $4.5 billion in order to expand to 2 million barrels per day its current refining capacity of 1.5 million daily barrels. (Rio de Janeiro O GLOBO in Portuguese 18 Oct 95 p 29)

On 18 October, the government and the rural bloc closed an agreement for rescheduling of the 7 billion real, R, debt of the agricultural area through the issuance of public certificates. Rural producers will be able to reschedule up to R200,000 of their debts with the national financial system for a term of seven to 10 years. The

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

payment will be made in equivalence-product, plus a 3-percent interest rate per year. Pedro Parente, executive secretary of the Finance Ministry, believes that 90 percent of the rural producers will reschedule their entire debts. The remaining 10 percent will have to reschedule their debts in accordance with the market rules established by the banks. The large rural producers' debt will probably total R8 billion. Cooperatives had already received a R700- million credit line for the rescheduling of their debts. The Bank of Brazil, BB, has 214,000 contracts with rural producers, and more than 200,000 of these producers will be benefited by this agreement. (Sao Paulo GAZETA MERCANTIL in Portuguese 19 Oct 95 p B16)

After closing the first three months of the year with a R69.5- billion balance, the domestic public debt jumped to R98.4 billion at the end of the July-September three-month period. It was forced up mainly by the massive entrance into the country of foreign capital in the months of July and August. Due to this massive entrance of resources and the suspension of the compulsory deposits, the government has been forced to issue more than R20 billion in certificates in the three-month period to withdraw money from circulation. The government only considers R75.1 billion of the overall debt, because the remaing R23.3 billion is equivalent to the certificates that the BC exchanged for state government certificates. The state and county governments are responsible for R10.9 billion of the R14.4 billion operational deficit of the public area registered in September. The expanded monetary base, which should have been only R94 billion in the average daily balances, reached the level of R105 billion and surpassed the ceiling established by government by 11.7 percent. Nevertheless, the restricted monetary base, which does not include public certificates, increased by only 0.3 percent (Sao Paulo AGENCIA ESTADO in Portuguese 1920 GMT 20 Oct 95)

The BC reported on 20 October that the public debt represented by the certificates issued by the state governments increased from R30.264 billion at the end of August to R31.262 billion in September. The largest portion of this debt is equivalent to the Sao Paulo Treasury public domestic debt, which totaled R13.404 billion in September and R12.980 billion in August. The second largest debt is that of Minas Gerais, which totaled R6.109 billion in August and R6.312 billion in September. Rio de Janeiro and Rio Grande do Sul also have significant public domestic debts. The Rio de Janeiro debt, which stood at R4.135 billion in August, jumped to R4.272 billion in September. The Rio Grande do Sul debt, which stood at R4.548 billion in August, increased to R4.700 billion in September. The public domestic debt of the county governments totaled R4.462 billion at the end of August and reached R4.579 billion at the end of September, but the Rio de Janeiro county debt remained stable at R955 million. The debt of the Sao Paulo municipality increased from R3.507 billion in August to R3.642 billion in September. (Sao Paulo AGENCIA ESTADO in Portuguese 1504 GMT 20 Oct 95)

FISCAL, MONETARY ISSUES

The BC reported on 20 October that in September the monetary policy continued being conducted in a way that would ensure more liquidity to the banking system through the reduction of the compulsory deposits. This policy also had the objective of making the economy's basic interest rate more flexible. The supply of liquid resources, however, did not reflect on the restricted monetary base because part of the resources allocated to the system has been reabsorbed by the government through the sale of federal public certificates. The average daily balances of the monetary base increased by only 0.3 percent compared to August, with a cumulative increase of 13 percent so far this year. The average balance of the bank reserves, which is one of the components of the monetary base, decreased by 6.4 percent. The amount of money printed increased by 4.7 percent in the same period. Considering the end of August and the end of September, the monetary base decreased by 13.8 percent, as a result of a 39.4 percent drop in bank reserves and the increase in money printed. According to the Central Bank, BC, the liquid impact of operations conducted abroad totaled R810 million. Other causes for the expansion of the monetary base were: BC operations involving the financial system and the national Treasury accounts. To compensate for these expansionist factors, the government placed in the market R4.1 billion net in federal public certificates. (Sao Paulo AGENCIA ESTADO in Portuguese 1321 GMT 20 Oct 95)

PRIVATIZATION

On 19 October, the Sao Paulo Airline, VASP, bought 49 percent of the Bolivian Lloyd Airline, which is the third Bolivian state-owned company to be privatized this year. Of the 80 companies invited to participate in the Bolivian airline, VASP was the only one that proposed purchasing 49 percent of the shares. The transaction involved $47.475 million. Part of this amount will be paid for with a new Boeing 707-300 worth $31.9 million. (Sao Paulo AGENCIA ESTADO in Portuguese 1907 GMT 20 Oct 95)

TRADE ISSUES

Entrepreneurs of the Sao Paulo State Federation of Industries want Congress to speed up approval of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Ouro Preto Protocol, which defines all the legal tools to be used within the Common Market of the South, Mercosur. In addition, they want the Brazilian Government to listen to them at the moment of defining the rules that will govern trade relations with Argentina, Paraguay, and Uruguay. The Ouro Preto Protocol has already been approved by the congresses of the other Mercosur countries. The deadline for the Brazilian Congress to approve this protocol expires at the end of 1995, and only after that can the Mercosur and the EU sign a common protocol. (Sao Paulo AGENCIA ESTADO in Portuguese 2240 GMT 19 Oct 95)

Lampreia Discusses UN Security Council Bid

PY2010010595 Sao Paulo AGENCIA ESTADO in Portuguese 2249 GMT 18 Oct 95

["Main excerpts" of interview with Foreign Minister Luiz Felipe Lampreia by correspondent Paulo Sotero in New York; date not given]

[FBIS Translated Text] [Sotero] What contributions could a country like Brazil, which until recently had kept an extremely low profile on the international front, make as a permanent member of the UN Security Council?

[Lampreia] Brazil is obviously the country with the best assets in the region; that is, it has the largest population, the highest GDP, and the largest trade volume. Regardless of what indicator is taken into account, Brazil emerges as the largest Latin American country. Up until recently, the image Brazil portrayed to the world was that of a disorganized country, with deficits in democracy and inflationary imbalances. In its trade relations with the rest of the world, Brazil used to take cover behind tariff barriers, laws restricting the entry of foreign products into the Brazilian market, and nationalistic or autarchic mechanisms. This is no longer being done in Brazil today. In addition to its above assets, Brazil is now also offering the image of a country that has lived for 10 years under a fully democratic system, despite the ups and downs we have experienced. Brazil now has a president of the Republic who has done an extraordinary job in presenting the Brazilian reality, and who holds talks on an equal standing with any other head of state or government. Today, Brazil has a basically organized economy, with a significant degree of monetary stability, a process of growth, international reserves totaling more than $45 billion, vigorous trade, and a clear trend toward adjusting all of its basic economic factors. These are Brazil's credentials as a counterpart in any forum, anywhere. Tangible proof of this have been the reception accorded to the Brazilian president in Brussels, Bonn, London, Buenos Aires, and whereever he goes.

[Sotero] Recently, the president of a major Brazilian bank said that he considers to be "a bad idea" for Brazil to seek to become a permanent member of the UN Security Council. Is Brazil indeed prepared to assume that type of role? Wouldn't that just be a goal set for themselves by the Brazilian diplomats and not a national goal?

[Lampreia] All the Brazilian people may not a clear idea of the full significance of this issue. I believe, bowever, that the Brazilian people would like their president to be regarded as a colleague of the same standing by the U.S. President, by the British prime minister, or by the German chancellor. The Brazilian people may not be aware of all of the diplomatic nuances, but they know that it is good for Brazil to participate, to be respected, and to be heard. We have been inspired by this and have translated it into diplomatic language. It is important to make it clear, however, that we are not engaged in a diplomatic campaign. We have not been knocking on doors to ask for support or instructing our embassies to take actions to this effect. What the president has said — and I have elaborated on this, because it is job to do so — is that Brazil is prepared to assume its responsibilities, that it is willing to do is part. Brazil is not obsessed in seeking to become a permament member of the UN Security Council; it is not even regarding it as the main goal in its foreign policy, to which everything else would be subordinated. This is not the case, and we are not proceeding in this direction.

[Sotero] Do you believe our political, business, and other leaders are clearly aware of the implications for Brazil if it starts playing a more active role in international politics?

[Lampreia] There will certainly be disagreements. Even among members of our diplomatic corps there are some who harbor doubts about this. Yet, judging from all the talks we have held about this matter with members of Congress, with businessmen, with leading academicians, and with members of our Armed Forces, I believe that in all these groups the prevailing feeling is that this role would be good for Brazil, that it would be good for Brazil in every respect; that is, Brazil would obtain benefits in the political, diplomatic, business, military, financial, and other areas. It would enhance Brazil's prestige. Incidentally, I would like to quote here former British Foreign Secretary Douglas Hurd who, shortly before leaving his post this year, said in an interview that England's main victory has been its seat as a permanent member of the UN Security Council. Because of this, Hurd said, Great Britain has played in a league higher than its own.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Sotero] Yet, what implications would this entail for a society like ours, which is ill-informed about the rest of the world?

[Lampreia] I believe that will be taken care of as Brazil plays an active role on the international front. By promoting an economic opening, Brazil has had to lower its tariffs and Brazilians today regard foreign capital with much less prejudice than before. Brazilians are today travelling a great deal more and the number of Brazilians residing abroad has risen to 800,000. Today, in addition to their normal businesses, many Brazilian companies are making large investments abroad. In sum, there is today much greater interaction between Brazil, the Brazilian people, and its economic operators with the outside world than there was 20 years ago. When I joined the foreign service, we were exporting primarily basic products, and coffee accounted for 85 percent of these products. In fact, we were not the ones who were exporting. Buyers used to come to Santos to take our products. Today, we are selling airplanes, ships, sophisticated products. Manufactured products account for 60 percent of our exports. We have established a significant international presence. Obviously, all that which in Brazil is related to foreign topics would be emphasized if Brazil were able to join such a specific, select club as the UN Security Council. As Hurd said, you would be playing in a different league.

[Sotero] Would getting a seat at the UN Security Council cause Brazil to bear additional financial costs?

[Lampreia] Undoubtedly. Yet, this would in no way be outrageous. Every UN Security Council member has to proportionately pay more than the other UN member countries and are required to pay somewhat more for financing peacekeeping operations. It would be hard to estimate this cost at this time. Brazil has turned, however, into a significant contributor for the United Nations. We have become the 10th largest UN contributor by paying approximately $30 million, which we pay on schedule. The increase of our contribution would be compatible with the benefits a UN Security Council seat would bring to us.

[Sotero] As a member of the UN Security Council, would Brazil have to take part in international peacekeeping forces in a larger scale than it is doing now?

[Lampreia] No. That issue would have to be considered when and if Brazilian participation in the UN Security Council is confirmed. In the past there were fewer peacekeeping operations than now, but the trend is that in the future there will be fewer than now. I believe, however, that winning a UN Security Council seat would not significantly change our current level of participation in these operations. (The five permanent members of the Security Council have deployed more than 24,000 soldiers in peacekeeping operations. Here is the breakdown: Great Britain, 11,000; France, 7,400; the United States, 3,200; Russia, 1,500; and China, 44. Brazil has at present 1,200 soldiers serving in UN peacekeeping forces.

[Sotero] Despite giving every guarantee regarding its nuclear nonproliferation policy, Brazil has not changed its traditional position of refusing to sign the Nuclear Nonproliferation Treaty [NPT]. If the price for getting a Security Council seat were the signing of the NPT, would the Brazilian Government do it?

[Lampreia] The problem regarding the NPT signing remains unchanged. The NPT is a fundamentally unbalanced treaty and we have just had a confirmation of this assertion. Those countries having mastered the nuclear technology had persuaded the majority of NPT signatories to extend it indefinitely after vowing to exercise utmost restraint. Yet, only three months later, France started to carry out nuclear tests; that is, there continues to be an imbalance in terms of the obligations assumed by the nuclear and nonnuclear countries. Regarding the UN reform proposal, the NPT issue has not been raised along the terms you have mentioned. Now, we have always said that our position regarding the NPT is not dogmatic, for two reasons: first, because we have undeniably assumed a complete set of legal and political commitments such as that of relinquishing nuclear weapons. There can be absolutely no doubt in this respect. I would say that these commitments are broader than those included in the NPT. Second, I believe that we could perfectly revise our position depending on developments in terms of disarmament, the ban on nuclear tests; in sum, if the imbalance mentioned earlier is overcome. We would not rule that out.

Government Agrees To Observe Palestinian Election

PY2110014795 Rio de Janeiro O GLOBO in Portuguese 19 Oct 95 p 12

[FBIS Translated Text] Brasilia — Brazil and the Palestinian government gave another tangible proof of their excellent relations on the evening of 17 October, when Brazil accepted an invitation extended by the Palestinian Government: Brazil will be one of the three countries — along with the United States and Japan — that will send observers to the first Palestinian elections, which are scheduled for January of next year. The Brazilian observer will probably be a justice of the Superior Electoral Court (TSE). 'Arafat extended the invitation to Brazil for three reasons: The Brazilian experience in organizing a major election like the one held in 1994, in which 100 million voters participated;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the peaceful way in which elections are held in Brazil; and 'Arafat's personal fondness of Brazil.

Ibrahim al-Zeben, who is the coordinator of the Palestinian delegation, said: 'Arafat does not kiss every head of government, even though a kiss is a common form of expressing love among Palestinians. 'Arafat's kiss for Cardoso was a demonstration of his gratitude and respect for the exemplary role played by Brazil in relation to the Palestinian cause.

'Arafat said: Here I feel right at home. He also chose Brazil to announce the Jesus Christ 2000 Project. 'Arafat and Pope John Paul II agreed to organize a major joint celebration in Bethlehem on 25 December 2000 to commemorate the 2,000th anniversary of the birth of Jesus Christ.

Federal Deputy Amaral Netto Dies

PY1910234695 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Oct 95 p A7

[Article by Edmilson Silva and Claudio Renato]

[FBIS Translated Excerpt] Rio de Janeiro — Federal Deputy Amaral Netto (Brazilian People's Party-Rio de Janeiro) died on 17 October at the age of 74 without having seen his main political flag become a reality: the implementation of capital punishment in Brazil. Fidelis dos Santos do Amaral Netto died at Samaritano Hospital in the Botafogo area at 1400, victim of a lung edema. He is being mourned at the Rio de Janeiro Legislative Assembly and will be buried today, at 1200, in the Sao Joao Batista cemetery. [passage omitted]

Chile

Frei Says No Negotiations 'Without a Fast Track'

PY2310203795 Madrid EFE in Spanish 1950 GMT 21 Oct 95

[FBIS Translated Text] New York, 21 Oct (EFE)—Chilean President Eduardo Frei said today that General Manuel Contreras' entry into prison strengthens the state of law. He added that his country will not negotiate entry into NAFTA "without a fast track [preceding two words in English] treatment."

Frei thus referred to the delay of a "fast track" (the quickest consideration by the U.S. Congress of commercial treaties with other countries) for Chile's entry into NAFTA when he arrived in New York to participate in the ceremonies to mark the 50th anniversary of the United Nations.

He said that the delay represents an "internal political dispute in the United States, within which the Chilean Government does not play any role."

He added: "We clearly reaffirm that Chile will not negotiate without a fast track."

Frei, who will have a tight agenda parallel to the UN 50th anniversary, will speak to the General Assembly on 24 October.

He stressed the importance of his presence in this "megasummit" that gathers the presidents and chiefs of governments of some 140 countries, because Chile "participated in the foundation of the United Nations and has always been an active participant in this world forum."

Concerning the matter that focused attention in his country—the imprisonment of the chief of the former secret police of General Augusto Pinochet's regime after almost 150 days of delay—he said he is "very calm and happy."

He added: "Justice has shown its force, and Chile has won. This is good for Chile, for the country, for the democratic institutions, and it is also very positive for our country's international image."

The president said that in compliance with the sentence issued by the court that tried Gen. Contreras for the murder of Orlando Letelier, the foreign minister during the government of President Salvador Allende, a chapter has been closed.

He said: "We have always said that the important thing for the country is a state of law, and within this an essential piece of that law is the fulfillment of judicial rulings."

Frei urged Chileans to look to the future, to work "toward reconciliation, and to act with great generosity." He added that while he is president of the Republic "we guarantee the state of law and the most unrestricted fulfillment of the Constitution and the laws of the Republic."

Legislators Seek Annulment of Laguna del Desierto Ruling

PY2410102495 Santiago EL MERCURIO in Spanish 20 Oct 95 p C1

[FBIS Translated Excerpt] Valparaiso—The center-rightist senators have submitted a draft agreement designed to ask President Eduardo Frei to convene the National Security Council to assess the adverse ruling on Laguna del Desierto and also look into the possibility of requesting that the Arbitration Court's decision by annulled.

This was proposed yesterday during a special congressional session that lasted from 1030 to 1400, which Foreign Minister Jose Miguel Insulza addressed. Legislators

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and leaders of the National Renewal Party [RN] and the Independent Democratic Union [UDI] have accused the minister of acting in an unscrupulous manner in this case. [passage omitted]

President Eduardo Frei minimized the criticisms of Minister Insulza and said they were "senseless," while former President Patricio Aylwin said that the opposition's request for Insulza to resign are groundless.

In the meantime, center-rightist senators, during yesterday's special session, harshly criticized the attitude of the two administrations of the Coalition of Parties for Democracy [CPPD], its presidents and foreign ministers, for the defeat in the Laguna del Desierto case.

The opposition's draft agreement, which will be voted on during the session on 24 October, was signed by RN, UDI, independent, and institutional legislators.

During his address to the Senate, Minister Insulza emphatically reiterated that it will not be good for Chile to request the annulment of the ruling on Laguna del Desierto because it is not beneficial to the country's interests and because of the great damage it will cause the national stance, the border treaties that link Chile with other neighboring countries, and the country's juridical tradition.

After recalling, by chance, that in 1991 the entire country, as well as the legislators, were duly informed that, in compliance with the 1984 Peace and Friendship Agreement, Chile would resort to the Arbitration Court, Insulza said that "the government does not consider it appropriate, in any case, to declare the ruling void."

He said that, unlike in Argentina, "here everyone agreed to the arbitration, while in the neighboring country the people, the Senate, the Chamber of Deputies reproached the foreign minister and the president of the Republic." Insulza insisted that every sector has its degree of responsibility in the loss of Laguna del Desierto due to the attitude shown during the past 50 years.

The foreign minister addressed the Senate yesterday, as he did the Chamber of Deputies the day before, to take responsibility for the actions and negotiations he carried out regarding the subject, as well as to assess the ruling that awarded Argentina 530 square kilometers of Laguna del Desierto and to review the steps taken by the two CPPD administrations. [passage omitted]

Insulza on Loss of Area: 'Historical Process'

PY2310223095 Santiago EL MERCURIO in Spanish 19 Oct 95 p C1

[FBIS Translated Excerpt] Valparaiso—Foreign Minister Jose Miguel Insulza stated before the Chamber of Deputies that the adverse arbitration that resulted in the loss for Chile of 530 square kilometers in dispute is the culmination of a historical process that started 50 years ago, in which, in one way or another, all Chilean sectors are involved.

After a lengthy report to the deputies, Insulza took responsibility for the actions and negotiations he carried out regarding the subject. He recalled that he assumed duties as foreign minister only a month before the ruling was passed down, when everything had been done and all that was pending was the Arbitration Court's ruling.

As for the resources used by the government to try to reverse the court's decision, he said that they were requested by all Chilean sectors and that they were also involved in drafting the appeal.

In this regard, he rejected the opposition's criticisms, noting that approval and satisfaction were expressed in Congress through declarations issued by the Chamber of Deputies and Senate foreign relations commissions regarding the way the appeal had been submitted to the Arbitration Court. [passage omitted]

The Arbitration Court ruling and loss of Laguna del Desierto were the subjects of a lengthy debate in the Chamber of Deputies during a special session yesterday that lasted from 1030 to 1320.

After explaining the ruling of the Arbitration Court and this collegiate organization's statement regarding Chile's request for a revision of the ruling, which was rejected, he noted that the Laguna del Desierto territory unfortunately was lost. In his opinion, there is no way of resorting to another court, such as The Hague International Court, due to the terms of the 1984 Peace and Friendship Agreement.

He then referred to the responsibilities regarding the results of the ruling and whether it would be appropriate to resort to some mechanisms to reverse the Arbitration Court's decision, as has been requested by some sectors.

As for the current administration, he said that the arbitration had made considerable progress and that arguments and counter-arguments had already been submitted by the two parties; the process was at the stage of verbal allegations.

Therefore, he said, "this administration was not in charge of disclosing the Chilean position, nor responsible for the way in which the arbitration was handled." He said that when the current administration came to power, all that was pending was the ruling that was issued on 21 October 1994.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Insulza said that in his capacity as foreign minister, all that was left for him to do was to disclose the Chilean position regarding the ruling and submit the appeal.

As for the first issue, Insulza said that right from the beginning, the government announced its determination to accept the ruling. "It was stated at that moment, and continues to be stated, that to accept the ruling would mean harming our interests. I believe the opposite."

He said there was nothing to indicate that announcing acceptance of the ruling would prevent Chile from using the resources provided for in the 1984 treaty. "Quite the contrary, Chile's respect for the Arbitration Court's resolution contributed to its legitimate right to use the resources."

Regarding the criticisms of the appeal, he responded that "the criticism was for having done what was requested," noting that all the Chilean sectors, especially Congress, asked him to request that the decision be reviewed. "I assume the responsibility for having submitted the appeal and its results, but ask that all those who requested that the ruling by questioned assume their responsibility, because I stated here and in the Senate that it was difficult to make the appeal."

He acknowledged that it was quite likely the arguments used were weak and the appeal was poorly written, but that the mistake was in having submitted it.

In this regard, he recalled that "I disclosed the arguments here and in the Senate and was congratulated for them. Some 50 people received a copy of the appeal to read, and everyone agreed with it." Among those people were senators, commanders in chief of the Armed Forces, the president of the Supreme Court, and experts of every sector.

In referring to whom was responsible for the loss of Laguna del Desierto, Insulza gave a lengthy detailed account of historical events related to the subject that surfaced, in his opinion, in 1944, when Argentina, for the first time, published a map that included Laguna del Desierto in its territory. Chile never objected to this. [passage omitted]

After the session was interrupted to request that it be secret, which was not accepted by the legislators committees, Minister Insulza said that all the issues he had referred to were public and are reflected in the ruling of the Arbitration Court.

The opposition, especially through deputies Alberto Cardemil and Teodoro Rivera (RN [National Renewal Party]) and Juan Antonio Coloma and Ivan Moreira (UDI [Independent Democratic Union]), were insistent on criticizing the Coalition of Parties for Democracy administrations' performance throughout the Laguna del Desierto arbitration process.

They said that that territory was lost due to mistakes that started during Eduardo Frei Montalva's administration and materialized under the current administration of Eduardo Frei Ruiz-Tagle. [passage omitted]

Visiting EU Official on Dialogue With Cuba

PY2110020095 Madrid EFE in Spanish
1831 GMT 18 Oct 95

[FBIS Translated Text] Santiago, 18 Oct (EFE0—Manuel Marin, vice president of the European Union, told EFE today that political dialogue with Cuba must necessarily be discreet and prudent.

The Spanish politician is visiting Chile at the invitation of President Eduardo Frei, with whom he traveled on Tuesday from the Argentine town of Bariloche after participating in the Fifth Ibero-American Summit.

Marin said that on 7 and 8 November the "community of three," which at this moment is comprised of the foreign ministers of Spain, France, and Italy, will travel for the first time to Cuba to open the political dialogue with Cuban officials.

"Beginning with this process, we will see the limits of each party's ambitions," he said.

According to Marin, dialogue with Cuba "must always be proposed from a positive angle so that Cuba may be able to gradually be reinstated within the Latin American framework, which is the place to which it naturally belongs, and at the same time, to establish, should this political dialogue yield fruits, a peaceful agreement with the European Union, which is what we all want."

According to Marin, "it is obvious that Europeans and Cubans must make efforts aimed at mutual understanding."

Pinochet, Frei Decide on Gen. Contreras' Transfer to Prison

PY2010145095 Santiago Television Nacional de Chile Imagen Internacional in Spanish
1000 GMT 20 Oct 95

[FBIS Translated Excerpt] A definite decision was allegedly reached during a last-minute meeting at La Moneda Palace on the transfer of General Manuel Contreras from the Talcahuano Navy hospital to the Punta Peuco prison where he should serve his sentence for the murder of former foreign minister Orlando Letelier.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Shortly before 1900 yesterday, [Army Commander] General Augusto Pinochet paid a surprise visit to La Moneda Palace. It was learned that the meeting with President Eduardo Frei, which lasted only 15 minutes, focused on Gen. Contreras' imminent transfer to the Punta Peuco prison with the condition that he be guaranteed safety and dignity.

It is estimated that Gen. Contreras will be transferred at night for security reasons and to avoid any contact with the media.

The deployment of military helicopters at Carriel Sur airport is intense. The tarmac of the main local airport has been carefully examined many times from these speedy aircraft. It is believed that one of these helicopters may bring Gen. Contreras from the Navy hospital in Talcahuano. From here he will be taken via a larger helicopter with a greater range directly to the Punta Peuco prison, or in an Army or Navy jet to Tobalaba airport from where he will be taken by helicopter to Punta Peuco. [passage omitted]

Claudio Martinez, director of the National Prison Police, arrived at Punta Peuco prison just after 2200. A bus carrying 25 Army officers in combat gear arrived 30 minutes later. These are the Army representatives of the mixed guard that will be handle the security of Brigadier Pedro Espinoza and Gen. Manuel Contreras Sepulveda.

Contreras Reportedly 'Consented'

PY2310183795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0303 GMT 21 Oct 95

[FBIS Translated Excerpt] Santiago, 20 Oct (AFP-NA)—General Manuel Contreras, one of the most powerful men in Chile during the military regime of General Augusto Pinochet (1973-1990), on Friday consented to being transferred to the Punta Peuco high security prison where he will serve a seven-year prison term.

According to a Navy statement, after being discharged from the Talcahuano Naval Hospital, located some 400 km south of Santiago, he requested "voluntarily to be transferred in compliance with the judicial ruling."

On 30 May 1995, the Supreme Court sentenced him to seven years in prison for masterminding the aggravated homicide committed against former Foreign Minister Orlando Letelier on 21 September 1976 in Washington, where his U.S. Secretary Ronni Moffit also died.

Upon learning the Supreme Court ruling, Contreras sought refuge at his "Viejo Roble" ranch, 900 km south of Santiago, from where he daringly said that "I will not go" to prison. [pass omitted]

Gen. Contreras' transfer to the capital began a few hours before the departure of President Eduardo Frei for New York to attend the scheduled ceremonies marking the UN 50th anniversary.

Moreover, the state Television Nacional de Chile reported that while it was reporting on Contreras' transfer to Santiago, its transmissions were "unusually" interfered with, and that for this reason it will lodge a "strong" protest with the Telecommunications Under Secretariat.

Colombia

Clinton Measures To Combat Drug Trafficking Viewed

Samper Terms Measures 'Reasonable'

PA2310132695 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 23 Oct 95

[From "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] New York—President Ernesto Samper Pizano described as reasonable and logical the decisions adopted by President Bill Clinton who announced severe measures to counteract drug trafficking and money laundering by Colombian criminal organizations. Speaking to Edgar Artunduaga, Caracol's special correspondent at the UN General Assembly, President Samper said it was very positive that the United States has recognized the need to reduce the demand [for drugs] in the consumer countries.

The Colombian president will meet today with the representatives of the group of Nonaligned Countries in the UN Security Committee and later will hold a meeting with Kuwaiti leaders. In his speech to the assembly tomorrow, President Samper will speak about the reforms that should be made to the United Nations and our struggle against drug trafficking.

During a special reception last night, President Clinton, in a deferential action toward the Colombian president, met for 10 minutes with him. However, details of the meeting have not been released.

'Best News' for Government

PA2410025995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 24 Oct 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Clinton's list, which vetoes any type of negotiation with the United States, by persons or companies linked with the Cali Cartel has given rise to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

all sorts of comments among the Colombian delegation that is visiting the United Nations during these days and also in our country. Here is a report via satellite by our correspondent Alvaro Hernan Castro in New York:

[Begin Clinton recording in English] With Colombian authorities we have cut down on the cartels that control the worlds' cocaine market. Two years ago they lived as billionaires beyond the law, now many are living as prisoners behind bars. [end recording]

Such words by President Clinton could represent the best news for the government of President Ernesto Samper, since he took office over one year ago. Clinton broached the problem of narcotrafficking as one of the fundamental aspects, during his speech before the United Nations session on the occasion of its 50th anniversary. To achieve its eradication, President Clinton proposed five strategies: to declare international the problem of countries committed to the struggle against narcotrafficking and organized crime; to establish a world pact against terrorism; to formulate a multilateral policy against the illegal trade of narcotics; to formulate a policy of international cooperation against drug money laundering; and finally, legislation against the illegal trade of weapons.

[Begin Carlos Lleras, Colombian ambassador to Washington, recording] I think that what there is a response by President Clinton indicating that he will not let up in the struggle against narcotrafficking. Therefore, he is responding in large part to the bitter criticism made by the Republican Party in the Congress. [end recording]

President Samper also confirmed the holding of an informal meeting with President Clinton, recognizing Colombia's effort in the struggle against the Cali Cartel.

[Begin Samper recording] He told me he was quite surprised by the efforts carried out by the Colombian Government at this time and that he congratulated the Colombian people for the efforts being carried out, for what we have achieved, for what we have accomplished and that was one of the reasons that had inspired his speech, and that he hoped we will continue to work together. The truth is that we held a very cordial meeting. [end recording]

Valdivieso 'Happy' With U.S. Attitude

PA2410031995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 24 Oct 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Meanwhile, in Colombia there was immediate reaction to Clinton's list. Prosecutor General Alfonso Valdivieso was happy with the new attitude of the United States and said that Colombia should follow the same path, but said it is a utopia to try to revive extradition.

[Begin Valdivieso recording] Yes, [words indistinct] to a large extent in the processes against [words indistinct].

Prosecutor Valdivieso even went beyond President Bill Clinton's statements, because he not only supported them, but said that in Colombia the same might occur toward those companies.

[Begin Valdivieso recording] We cannot continue to tolerate that relation between narcotrafficking with all those activities. There are several, there is the real estate sector, there is the trade of the drugs, or rather, the drugstores. There are sectors involving insurance, there are investment activities. I believe that all those activities in Colombia must be banished. [end recording]

The prosecutor general said the time when criminals and their families enjoyed their fortunes acquired illegally must come to an end.

[Begin Valdivieso recording] Colombia has not been at the height of its responsibilities in confronting organized crime. Only now is Colombia beginning to demonstrate some important results, but it can and should do much more. [end recording]

To pursue illegal assets, the office of the Prosecutor General has created a special unit, but he also announced it will disclose the foreign companies that are negotiating illegally with narcotrafficking, including those of the United States.

Internal Disturbance Decree, Struggle Against Crime Viewed

Conservative Party Leader Comments

PA2210145595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 20 Oct 95

[Telephone interview with Jaime Arias Ramirez, president of the Conservative Party, by Dario Arizmendi and Edgar Artunduaga, in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast—live]

[FBIS Translated Text] [Arizmendi] Good morning. It is a pleasure to greet you.

[Arias Ramirez] It is a pleasure to greet you too.

[Arizmendi] What is the Conservative Party's position? Is it to back bills submitted by the government to counter the effects of the Constitutional Court ruling on the Internal Disturbance Decree?

[Arias Ramirez] I must tell you first that I believe that instead of weapons, what the country needs is a political

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and social willingness to defy every form of organized crime. There is already a national accord to face this crime; however, what we need now is to maintain good norms, by reviewing them, and then, action, much action.

With regard to these norms, the Conservative Party—a party that favors order and authority—cannot hide its satisfaction because some of them were aimed at recovering authority, an authority that had been lost. We liked, for example, everything that concerned the struggle against organized crime, which is one of the decrees that was eliminated, as well as the decree on citizens' security which contained changes in the competence to try certain cases.

We also liked the benefit of the decree which led to almost 4,000 arrests of people who were caught red-handed. There were also other good decrees, for example, those that fought kidnappings. We are willing—and we let the government know this yesterday—to study the decrees.

The government wants the legislation to be quick. This is why it will present a motion so that the two commissions of the chambers will start to study it and let us hope that before the end of this legislature, before 17 December, the decrees that were declared unconstitutional can become permanent norms.

[Artunduaga] Could the Court be turning its back on a reality that is very grave in the country?

[Arias Ramirez] I do not know for sure, Edgar. It is very difficult to say whether the Court erred or not; that is very subjective because the Court members said that there has been nothing truly different from what has been happening in the past 40 years. This is what some people refer to as the abnormal normalcy. In other words, this is a chronic ailment and within this chronic ailment there is a moment of exacerbation. However, I believe that the crux of the matter is whether the measures that were taken truly changed the situation.

I think they were good measures. I liked those that concerned the repression of urban organized crime. With regard to the measures against the guerrillas, I think they had no effect on them.

[Arizmendi] Do you think the Constitutional Court is cogoverning as some spokesmen and sectors have suggested?

[Arias Ramirez] I do not believe so. I believe that this institution—which sometimes issued very good rulings and other times did not show coherence in the (?formation) of a constitutional doctrine—has too much power. It is not only cogoverning but colegislating. I think that by interpreting the Constitution, the Court is actually producing a new constitution.

It interprets the spirit of the Constitution. Well, this was one of the many legacies we received from the 1991 Constitution, which is causing true legal chaos in Colombia.

Valdivieso: Measures 'Successful'

PA2110202195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 21 Oct 95

[From the "Cripton Newscast"]

[FBIS Translated Text] Prosecutor General Alfonso Valdivieso has said the measures adopted by the government after declaring a state of internal disturbance were successful.

According to Valdivieso, the decision to declare unconstitutional the internal disturbance decree shows that the norms and the country's reality are not in tune, meaning the high-level courts and the national government are not in tune.

Valdivieso believes the last hope to avoid undermining the work being done in the fight against kidnappers and violence in regions such as Uraba, is the Congress of the Republic, which in the exercise of its duties and with an urgent call made by President Ernesto Samper, can save the situation.

[Begin Valdivieso recording] What we are demanding—as is natural because it is part of the work done by Congress—is an effort to insist on the passage of laws that have proven their effectiveness such as the ones that were temporarily in effect until the ruling handed down by the Constitutional Court. [end recording]

Valdivieso, however, does not rule out the responsibility of all national sectors, including the government, the courts, and the Prosecutor General's Office itself in the loss of one of the executive branch's best instruments in putting an end to problems such as violence and impunity.

Lifting Decree Triggers Measures

PA2310201495 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 22 Oct 95

[Report by Olga Elena Fernandez; from the "AM/PM Newscast," speakers identified by caption]

[FBIS Translated Text] After President Ernesto Samper's week of taking care of the Nonaligned Movement,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

today upon his return he had to take care of Colombian problems.

President Samper and his cabinet assembled to seek a possible solution to the judicial chaos the country is facing due to the lifting of the internal disturbance decree. Interior Minister Horacio Serpa was in charge of announcing the measures, but he did not say anything concrete. He mentioned the increase of patrol surveillance, permanent inspections, rewards, the creation of an intelligence unit in Uraba, and the extension of the jail emergency period [emergencia carcelaria]; in other words nothing new.

According to National Police Director General Rosso Jose Serrano, the police are the most affected by the lifting of the internal disturbance decree.

[Begin Serrano recording] The police experienced relief with those measures; with the installation of cameras in Bogota we managed to neutralize at least 50 percent of the crimes that most affect the citizens. [end recording]

According to Antioquia's governor [not further identified], his department is the most affected.

[Begin Antioquia governor recording] The decree that facilitated raids was very useful in the region, as well as the one that facilitated detentions, a specific norm that allowed the military and police authorities to arrest people presumably responsible for massacres. [end recording]

The question is, if the internal disturbance measures were so good, why did the government not make them permanent in due time? According to the government, they did not move too late.

[Begin Defense Minister Juan Carlos Esguerra recording] I am surprised to hear you ask whether we moved too late regarding this decision. That was not the case with the state of internal disturbance. [end recording]

Envoy Warns Against U.S. Action on Banana Dispute

PA2010232595 Santa Fe de Bogota EL TIEMPO in Spanish 18 Oct 95 pp 1A, 1B, 3B

[Report by Andres Cavelier Castro]

[FBIS Translated Text] The United States should not try to resolve the banana dispute based on "unilateral actions," Colombian Ambassador to Washington Carlos Lleras de la Fuente has said in a letter sent to each of the 100 U.S. senators.

In a letter whose massive distribution in the U.S. Congress is unprecedented in the current Colombian Government, Lleras explained that any attempt by the U.S. Government to eliminate the tariff preferences contemplated in the Tariff Preferential Agreement (ATPA) will affect Colombia.

U.S. Senate President Robert Dole is ready to introduce a draft bill contemplating economic sanctions for Colombia, among others, to protest the Basic Banana Agreement signed with the European Union (EU), as part of the negotiations held with the support of the World Trade Organization (WTO).

This draft bill may be presented at any moment and it is not related to the current narcopolitical crisis Colombia is confronting.

Dole's bill is aimed at ATPA, a preferential tariff mechanism established by the George Bush administration to reward Andean countries like Colombia for their antidrug-trafficking struggles.

Ambassador Lleras stated: Colombia's success in this regard is impressive: more than 25,000 hectares of coca plants and 7,500 hectares of poppy have been cleaned in the past nine months.

In his letter Lleras states: "I want to make clear that our government has adopted fair nondiscriminatory regulations for exporting banana to the European Union by exporters, be them Colombians or North Americans." He adds: "Very recent regulations have introduced an equally forthright system" favorable to all exports.

Companies such as Chiquita Brands and Dole have been complaining for a while that Colombia and other Latin American countries have discriminatory banana export volumes through a restrictive quota system.

This is precisely what Ambassador Lleras is trying to clarify in his letter: that these companies' conditions have improved and that in spite of this effort, the agreement with the European nations remains in effect.

In an interview with EL TIEMPO, Lleras said this weekend that "commercial problems cannot and must not be resolved unilaterally by the United States, that there is a WTO and other mechanisms for resolving such problems, mechanisms that thwart all justifications for a unilateral implementation of the big-stick policy."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Government Initiates Relations With Several Countries

PA2110202095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 20 Oct 95

[Report by Orlando Guerrero from Cartagena de Indias; from the "Seven O'Clock Newscast"]

[FBIS Translated Text] President Ernesto Samper's meetings today, with the presidents of Pakistan, Malaysia, Russia, Hungary, the PLO, and South Center [Centro Sur—not further identified], among others, served to establish new commercial ties. Russia, for example, announced its decision to increase investments in the petroleum areas in Colombia. In exchange, our country will export large quantities of coffee to this nation.

[Begin Colombian Foreign Trade Minister Daniel Mazuera recording] We are establishing commercial relations and mechanisms that will allow the private sectors in our countries to do business. [end recording]

Bosnia-Herzegovina is another country with which Colombia has initiated commercial and diplomatic ties.

[Begin Colombian President Ernesto Samper recording] We welcome your relations with Colombia. Receive, in the name of all the Colombian people, our hopes that the conflict, which has been torturing and causing you so much harm for the past several years, ends promptly. [end recording]

We report that 15 presidents have already left Cartagena, including [Cuban President] Fidel Castro and [Nicaraguan President] Violeta Chamorro. More presidents will leave after the summit ends tomorrow. Some of them are heading to New York, to attend the United Nations summit.

Constitutional Court President Denies Confrontation

PA2210011195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 21 Oct 95

[From the "Cripton Newscast"]

[FBIS Translated Text] Constitutional Court President Jose Gregorio Hernandez said that the more than 3,000 people jailed in various prison throughout the country and who are being investigated for crimes condemnable during the state of internal disturbance will not be set free.

[Begin Hernandez recording] The corresponding judge for each of the cases will decide what norms are applicable and if the person is guilty or not. [end recording]

He also clarified that there is no confrontation between the Constitutional Court and the Justice Ministry.

General Bedoya Discusses Current Issues

96CA0019A Santa Fe de Bogota CAMBIO 16 COLOMBIA in Spanish 9 Oct 95 pp 16-19

[Interview with Army Commander General Harold Bedoya by Maria Cristina Caballero; place and date not given]

[FBIS Translated Text] There is despair in the country, impatience, and exhaustion. Every day brings more violence. According to the police, the share of homicides in the total number of crimes has tripled within the past 12 years, with 90 cases recorded for every 100,000 inhabitants. The same study reveals that, during the past six years, the number of robberies and holdups has doubled, and 80.3 percent of them are not reported. The Free Country Foundation [Fundacion Pais Libre] reports that kidnapping cases are not declining. In 1990, 1,282 cases were recorded, and in 1994 the number was 1,378. Thus far this year, nearly 800 have been reported. Calmness has been lost.

At the same time, the uncertainty regarding the progress of 8,000 case, which has brought to light clear signs of political "narco"-corruption, is causing people to feel unsure about their future. The government has failed to take control of the country.

This accumulation of facts has prompted a series of complaints voiced informally but convincingly among various sectors, citing the need for a tough policy [mano dura]. And, in Colombia, a tough policy is equated with greater power for the commanders which, amid the specter of plots, is translated into a military solution. Politicians, businessmen, ordinary citizens, and even journalists are talking about civilian-military juntas, "Fujimori"-type coups, and deepseated constitutional reforms.

CAMBIO 16 spoke at length with General Harold Bedoya, commander of the Army, who is responsible for much of the law and order, and who has the unique quality of being a man of strong character, loved by the troops, and capable of causing controversies. This was proven by his famous document, in which he rejected the demilitarization of Uribe to hold dialogue with the FARC [Revolutionary Armed Forces of Colombia], and which the government interpreted as disrespect for the peace process. He was controversial again last week, when he described the exiled ex-human rights ombudsman, who had dismissed his colleague, Alvaro

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Velandia Hurtado, as a "fugitive from justice." And as if that were not enough, there was controversy over his gesture of handing the microphone to Velandia, then in civilian garb, so that he could address the troops during the ceremony in Cali last Wednesday for the change of command in the third brigade.

"I have not known a single day of calmness in my life," claims General Harold Bedoya Pizarro, the Army commander, an energetic, 57-year old Cali native. Not since he enlisted at age 15. At that time, in 1955, Colombia was enduring a military dictatorship, and joining the Army was an opportunity to rise in status. "I wanted to be a winner in life, to do things for Colombia, and to hold important service posts," remarks General Bedoya. Today, he has command over 130,000 men, including officers, noncommissioned officers, and troops, and is considered "the hard one" in the Armed Forces. Among the many discussion groups that have been formed as a result of the current political crisis, the idea of creating a temporary civilian-military junta is gaining ground. Oddly enough, General Bedoya's name is constantly being included in it. He claims to have heard nothing about this, pointing out that his aspiration is to continue as commander of the Army. "That is what I have dreamed of being."

[CAMBIO 16] The government is facing a crisis on the legal and political level, because of the so-called 8,000 case. In view of the power vacuum, proposals are being heard for a junta comprised of three members of the military and three businessmen, to assume power while a new president is appointed. Would you consider joining that junta, as they claim?

[Bedoya] I really haven't heard that...this is the first time that I have heard that. I think that, since this is a country of coffee and black coffee, everyone talks and speculates.

[CAMBIO 16] It is said that you would be the leader of the junta because of your character and your knowledge of law and order.

[Bedoya] I am not leading any junta. The junta that I lead is the one of my brigade and division commanders.

[CAMBIO 16] If they insisted that you join a temporary junta, as an alternative for the country, would you agree to it?

[Bedoya] The people have assigned us a series of responsibilities in the Constitution: independence, sovereignty, territorial integrity, and constitutional order. We are complying with that, as a public force. We expect the political leaders to continue running the State.

[CAMBIO 16] Do you reject that civilian-military alternative?

[Bedoya] I do not consider it a matter of arriving at such a civilian-military junta. However, for us, the civilian-military combination is very common. We engage in civilian-military action every day. On Sunday, I was in Esmeralda with the governor of Arauca, engaging in civilian-military action. He does the civilian part, and I, the military part.

[CAMBIO 16] Do you believe that this power vacuum situation currently existing in Colombia will lead to a reinforcement of the guerrilla movement?

[Bedoya] The guerrilla movement is really a monstrosity left over from the drug traffic and the old guerrilla movement. Stains of that remain: stains that do not constitute a power alternative. That is why the country needs a strong Army to protect it.

[CAMBIO 16] You all have had previous experience with civilian-military command, as military mayors.

[Bedoya] In the event of a total absence of a mayor, the Constitution permits military mayors to be appointed. We had a mayor in Aguachica. We have another military mayor, a captain, in Antioquia. And until 1991, there was a civilian and military headquarters in Uraba. There had previously been military commands in Envigado, La Estrella, and Bello.

[CAMBIO 16] How do you evaluate those experiments?

[Bedoya] The results of the military mayors have been excellent. We virtually took on the Medellin Cartel with the military chief of Envigado, and in Bello and La Estrella. That proved very helpful, just as the Uraba headquarters helped in its time. We are tools that the government has in case of an emergency; so...the executive branch can make those decisions.

[CAMBIO 16] Those local or regional experiments have occurred in the absence of an authority, as you said. Could that be applied on the national level?

[Bedoya] No...unless a problem should occur...involving a mayor, for example.

[CAMBIO 16] And what if that absence of authority becomes evident on the national level?

[Bedoya] There are constitutional and legal institutions.

[CAMBIO 16] And what if the situation of the president and other high-ranking officials continues to be complicated, owing to the trials that are under way, and the statements of the Cali Cartel's ex-treasurer, Guillermo Pallomari, to the DEA...?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Bedoya] At the present time, there is an authority, there is an executive branch, there is a legislative branch, there is a judicial branch. I refuse to become involved in speculation.

[CAMBIO 16] Some have interpreted the declaration of disturbance and its regulatory decrees as a technical coup d'etat.

[Bedoya] I would not even think of giving a response to that. Nor could I.....

[CAMBIO 16] Some very military viewpoints are sanctioned in the declaration of disturbance.

[Bedoya] The military area is virtually an extension of the political area. We are the armed instrument of the State, and the State is political. So, we are the armed branch of the State.

[CAMBIO 16] It is being claimed that the Constitutional Court will quell the internal disturbance. What impact would that have on the Military Forces?

[Bedoya] We shall continue striving to fulfill our obligations to the Colombian people. We shall never renege. Of course, if the regulations on disturbance are retained, it would be all the better.

[CAMBIO 16] Does the current power vacuum provide arguments for the guerrilla movement to intensify its political discourse?

[Bedoya] The guerrilla movement no longer has any political discourse. What they are requesting is protection for their human rights: they want protection for their rights to cut off feet, their right to traffic in drugs....

[CAMBIO 16] There was a report of a cassette on which the ELN [Army of National Liberation] leader, Gabino, said that they would not negotiate with the government, because it consisted of drug traffickers.

[Bedoya] How can I comment on a criminal of that breed, convicted of kidnapping, drug dealing, and terrorism?

[CAMBIO 16] But that kind of discourse moves people....

[Bedoya] What those bandits in the jails are asking for is human rights, and they complain that their human rights are being violated.... Understandably, there are people who are mixed-up; no one can get away from that.

[CAMBIO 16] And, in your view, is the ex-ombudsman assigned for human rights, Hernando Valencia Villa, mixed-up?

[Bedoya] I had better not become involved in that.

[CAMBIO 16] You had a confrontation with Valencia because, when the U.S. was going to give him an award, he submitted a report linking you with human rights violations.

[Bedoya] I have never had confrontations either with Mr. Valencia or with anyone from the Attorney General's Office. Not at all.

[CAMBIO 16] But he did, in fact, submit that report.

[Bedoya] I want the Attorney General's Office to be the one handling that. I have had enough.

[CAMBIO 16] Do you confirm the statement about Valencia's being a fugitive from justice?

[Bedoya] I have already said so.

[CAMBIO 16] Do you think that the Attorney General's Office is obstructing the Army's actions?

[Bedoya] What the Army is requesting is respect for its jurisdiction. We are confronting drug traffickers and subversives; we must have a jurisdiction to protect us from their injustices and slander. It should be a justice system of our own that investigates us. There is nothing more efficient than the military criminal justice system. And there is no better discipline than the military.

[CAMBIO 16] On the day that the now dismissed General Velandia received the award, awards were given to three generals against whom trials are being held, such as General Fernando Gonzalez. That was taken as defiance.

[Bedoya] They have not been convicted nor dismissed. A person who is being investigated has not been judged.

[CAMBIO 16] And, meanwhile, is the Army really performing to the maximum extent?

[Bedoya] To the maximum, and even more, with the resources that it has. What does not exist is sufficient money to give to the Military Forces. We have a 50 percent deficit. This is not a war of soldiers against bandits; it is a battle of bandits against the people.

[CAMBIO 16] If you state that the Army is at its maximum level of efficiency, what hope is left for the people who feel completely unprotected?

[Bedoya] The problem is indifference. They see their neighbor being killed and robbed and, since "that does not affect me, let the other one there defend himself."

[CAMBIO 16] Have you asked the guerrillas to surrender to the military criminal justice system?

[Bedoya] If they allowed us to investigate and judge those people, I am sure that it would be very efficient.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

because we have already proven it. M-19 ended up in La Picota, just as the ADO [Workers Self-Defense], ELN, and EPL [Popular Liberation Army] did. When we were judging the "narcos," it was the same thing. They hit the ceiling. They are terrified of the military criminal justice system, because we applied the swift justice law to them. We should be judging them again ourselves.

[CAMBIO 16] How is the formation of the special search task force [bloque de busqueda] against the guerrillas progressing?

[Bedoya] I don't know what that is. Who mentioned that? The task forces that are operating are troops, brigades, divisions and battalions of the Army. Who announced that?

[CAMBIO 16] General Camilo Zuniga, commander of the Military Forces.

[Bedoya] All right. What exists is an intelligence group with immediate reaction units.

[CAMBIO 16] But isn't that a new task force?

[Bedoya] No; all of that exists, it was already in existence.

[CAMBIO 16] While the government is becoming weak, is the guerrilla movement becoming reinforced?

[Bedoya] You are starting with a supposition: the government's weakness. The truth is that the subversive groups have a large income. They are still engaged in the drug trade in Caqueta, Guaviare, Putumayo, and Tolima. After the blows against the Cali Cartel their income declined, and they are making up for it with kidnappings and extortion. It is said that the price of coca paste, or of a kilo of coca, dropped from a million to 500,000 or 400,000. That represents a 50 percent reduction in their income.

[CAMBIO 16] How can people be given a guarantee of greater security?

[Bedoya] We cannot have a soldier on every farm to prevent a kidnapping. That is impossible. People today want to lean on the State, but they have to defend themselves.

[CAMBIO 16] How can they defend themselves?

[Bedoya] One of the means of defending themselves is the military authority, through its peasant organizations. Anyone who has property must participate, at least by reporting anything he observes as abnormal on his farms to the Army and the police. Many people fail to do so out of fear or whatever it may be. They prefer to put up with these things.

[CAMBIO 16] There are some who claim that the remedy of the security patrols or cooperatives may be worse than the disease.

[Bedoya] No one can be prevented from defending his property and his life.

[CAMBIO 16] So, the proliferation of the so-called paramilitary groups would have the same purpose. They presumably consist of people hurt by the guerrillas' actions who want to defend themselves.

[Bedoya] That talk about proliferation is also an invention of the subversives, through their unions, to justify their terrorist acts. Even among themselves, there is killing, so that they can claim, based on the peasant logic: "This gentleman was inclined toward subversion, and the paramilitary killed him." It is they themselves who have committed the crime. They create nonexistent monsters.

[CAMBIO 16] Do you think that the paramilitary groups are nonexistent?

[Bedoya] They may possibly exist. But there is no proliferation, as you claim. The guerrilla movement has created that specter.

[CAMBIO 16] The case of Fidel Castano and his self-defense groups is a reality.

[Bedoya] They do exist. I captured a brother of Fidel Castano and turned him over to the Prosecutor General's Office. I don't know whether he is in jail, has been convicted, or is roaming around there free. Less than a month and a half ago, in Uraba, we just captured 13, with rifles and everything.

[CAMBIO 16] The guilds are complaining that they are unprotected.

[Bedoya] The Army is providing security for petroleum production, for example. Colombia is no longer a coffee, livestock, or agricultural producer. It is virtually a petroleum producer. That sector is the one giving the country its resources. Whereas they were thinking of starting production just now, they began producing three months earlier, because of the guarantee and the security that were given to them.

[CAMBIO 16] Do you believe it is possible to reactivate the peace process that is now stagnant?

[Bedoya] On the subject of the peace process, I have nothing to say, no. What process...?

[CAMBIO 16] You have said that you admire General Valencia Tovar, who guided you in your youth.

[Bedoya] Yes, at that time I was an adult. I admire and respect him.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[CAMBIO 16] Do you think that those lessons that the general taught you could be applied on the government level?

[Bedoya] All the good lessons that he taught us are applicable, yes.

[CAMBIO 16] Are you a coup advocate?

[Bedoya] I am not a coup advocate. The only ones that I inflict coups on are the bandits, when I find them armed around here. I have no aspirations for anything other than to serve the Colombian people, as they want me to serve them, as commander of the Army.

[Box, p 18]

The Security Cooperatives Progress

"At least 100 Community Rural Surveillance Associations (Convivir) are already in operation. We now have virtually the entire country covered," as Herman Arias, the superintendent for private surveillance and security, revealed to CAMBIO 16.

This new security program, defended by the Defense Ministry and the Armed Forces since the Gaviria government, was made official on 13 December of last year. It has found support among livestock producers, farmers, and peasants in departments such as Casanare, Meta, Antioquia, Caldas, Cundinamarca, Valle, Cordoba, and the Santanders, and even in Uraba.

The legal grounds for the Convivir, the Rural Rapid Response Operational Centers (CORRR), and the Rural Security and Surveillance Funds are in Decree Law 356 of last year, which stipulates that the scope of their action is solely defensive and preventive in nature. They must maintain a close relationship with the public force and the civilian authorities, and provide information. By way of an exception, it will be possible to give defense weapons to the members of the associations, at the discretion of the Military Forces.

Spending on Defense

Total Year	National Budget	Defense Budget	Percent of the Budget
1985	696,797	58,212	8.35
1986	976,545	79,066	8.10
1987	1,246,929	100,452	8.06
1988	1,688,241	155,134	9.19
1989	2,289,880	200,283	8.75
1990	3,133,693	253,596	8.09
1991	4,369,594	285,675	6.54
1992	5,118,316	431,291	8.43
1993	6,416,990	661,154	10.30
1994	12,879,974	760,301	5.90
1995	17,503,175	1,036,038	5.91

Source: Report to the National Congress, 1994-1995

Telephone Tapping Practices Discussed

96CA0020A Santa Fe de Bogota EL TIEMPO in Spanish 8 Oct 95 p 16A

[Article: "Espionage: Colombia, a Bugged Country"

[FBIS Translated Text] *Recording other persons' conversations is not an impossible mission. Reports by police intelligence and drug-enforcement offices, guerrilla groups, ministers' offices, and even those relating to diplomatic conflicts and extramarital problems, are regularly being bugged in Colombia.*

Your boss may well know all the details of your latest telephone conversation. The name of the person with whom you talked, the time of the call, and even its place of origin. It may not be the first time that your calls have been monitored, and surely you are not the only one whose telephone calls are being eavesdropped on in Colombia today. The practice is so common that the private calls of cabinet ministers, members of congress, political party precandidates, news reporters, industrialists, drug dealers, and even those of wily temptresses, are being monitored without any problem.

A single private security company has discovered that 83 percent of the enterprises for which it has done security work have been victims of industrial espionage.

This very same thing may well be happening with your beeper, your fax, and even your cellular telephone personal identification number, no matter whether you are in Lorica (Cordoba) and your party at the other end is in an impenetrable Pentagon office in Washington.

One need only go to an electronic equipment shop and buy a recorder and a small device commonly known as the "watergate" or telephonic actuator, by means of which any communication can be accurately intercepted; or buy a sophisticated laser gun that enables one to perform the same operation without resorting to complicated wiring.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

These shops, of which there are already several in Colombia, offer, in very clearly detailed catalogs, all kinds of equipment for eavesdropping on other people's conversations, and spying on the amorous couple or enemy government.

And though it may seem a trivial and even incidental matter, telephonic espionage has become a double-edged weapon in the grave crisis that currently besets Colombia.

The so-called narcocassettes were followed by President Ernesto Samper's conversations with Elizabeth Sarria, then the alleged taping of a dialogue that Heyne Mogollon, the Chamber Accusations Committee's investigator of Samper, held with the manager of his bank, and, to top off this week, the tapping of Minister of Justice Nestor Humberto Martinez's and Defense Minister Juan Carlos Esguerra's telephone lines.

Prior to this, a wiretap had already cost Regional Prosecuting Attorney Guillermo Villa Alzate his post.

The recent case of the wiretaps brought before the Congress of the Republic by Ramiro Lucio, who hopes to thus show a conspiracy orchestrated by the DEA against the Colombian government, brings up again a matter that troubles and besieges the government's highest circles, and that is considered a flagrant violation of the law (see interview reported in Box 2).

Telephonic Acupunture

Despite being categorized as a crime, there are various methods for intercepting communications, and technicians, moreover, who render the service, using sophisticated methods that enable the perpetration of the illegal act to elude all efforts at prevention, including government efforts (see Box 1).

Legally this practice is termed invasion of privacy, but "bugging" is the term by which it is commonly known within the official agencies that are authorized to implement it—the DAS [Administrative Department of Security], Police, Army, and Office of the Prosecutor General.

To tap a line there are methods that depend basically on the technology being dealt with and on the required fidelity.

Taking for example, and for purposes of speculation, the DEA tapes obtained by Lucio, it is altogether possible that the spy may have utilized a secret access at any point along the line, or broken into the outdoor terminal enclosure near the DEA installations in Bogota, or have had access to a telephone company exchange.

If the United States DEA's telephone line is of the automatic-dialing or digital-dialing—dual line—type, the tapper's work was made relatively easy. But if the line is computerized, the spy most probably had to invest two additional hours in the operation owing to the complexity of the wiring.

And even though the DEA quite certainly has devices to detect any bugging of its telephone lines, as do the DAS, the Office of the Prosecutor General, the Police, the ministries, the large industries, and even television scriptwriters, the sophisticated spy must have used an antivirus or other device to prevent detection of the wiretap.

These wiretap detectors are called Phone Gards, and in Colombia they sell for 30,000 pesos. However, their action is nullified if a noise and vibration stabilizer is used.

Otherwise, in less than three minutes after the wiretap is detected, a kind of minicomputer—a telephone analyzer, whose price ranges between 5 and 40 million pesos—indicates the approximate distance to the point in the line at which the telephone is being tapped.

Generally, these appliances are manufactured in Israel, the United States, and France, and are marketed exclusively among government agencies.

Technicians and experts assert that, in general, when a telephone is tapped using a line terminal located in the telephone exchange, one must count on the complicity of a telephone company employee, as was the case in Cali, where the drug cartel was having the lines of government offices, security agencies, and private homes tapped.

According to information gathered by a private security firm, the paying off of a telephone company employee or former employee costs 50,000 pesos.

This employee goes directly to the box or outdoor enclosure housing the telephone line terminals, installs a recorder and that is it, the work is done. Or, perhaps he or she cross-connects the line from one exchange to another, extending it, let us say, to its final destination, namely, the point where the conversation is to be monitored. Such extension of the line can cost up to 500,000 pesos.

A private security firm reports that on one occasion they found two recorders in a single outdoor terminal enclosure. These enclosures, they explain, are very vulnerable.

Nevertheless, the manager of Bogota Telephone Company told EL TIEMPO that "no administrative investigation of employees of the company is under way in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

this regard," although he does not know whether legal proceedings in regard to this crime are being instituted by the Office of the Prosecutor General.

Counter-Counterespionage

The extent of spying is such, that four years ago, the National Police discovered a serious leakage of information from the intelligence and drug enforcement services, by way of a "bugging" network, owing to which many operations against drug traffickers had failed.

In fact, after several months of investigation, the operatives themselves who were in charge of the organization's official wiretapping activities had to sort out the cabling that led from the Ciudad Universitaria Telephone Exchange to National Police Headquarters in Bogota.

They found that the criminals had gotten to the underground vault through which the cables are routed, and had tapped the official telephone lines at that point.

According to one operative's version, "It looked like a surgical operation, with lead-soldered splices running throughout that mass of cable pairs."

Experts of this kind are present in most of the government agencies and are those in charge of counterintelligence work—that is, internal surveillance.

According to a DAS agent, "several members of the agency have been dismissed thanks to counterintelligence work," but common law crimes and drug trafficking operations have also been thwarted thanks to wiretaps. According to this same source, there are currently some 80 tapped telephone lines in Bogota.

The DAS, for example, has recorders that record up to 24 calls simultaneously throughout a period of 360 minutes (more than 100 hours). A screen connected to the recorder displays the time of the call and the telephone number from which it originated.

The last two digits of the number indicate whether it is a private telephone line or a public one, and the first two digits indicate whether it is an automatic-dialing or a digital-dialing telephone set, and the sector in which the call originated. The pinpointing is finalized by way of a master listing that provides the address of the building and the name of its owner.

Cellular phones and VHF radiotelephones (used by the guerrillas) are intercepted by means of radial or triangular goniometric locators that besides recording the call determine the coordinates, providing an approximate location of the source.

Faxes and beepers are not intercepted, but rather "dualled"; that is, they are tapped via the cabling, by way of which exact duplicates of the fax or beeper messages sent to the subscriber are being received by the eavesdropper.

And the technology is so advanced that some private investigators speak of recording calls routed via radio and satellite.

"Bugging" a line or detecting a bug can cost anywhere from 100 to 1 million pesos, depending on the entity or the person. But the real business, according to an investigator consulted by EL TIEMPO, lies in the sale of the information so gathered. "There are organizations hired to record conversations in unlimited numbers, which are then sold at very high prices, to be used for blackmail."

[Box 1] Other Forms of Spying

Transmitters Built Like Briefcases

These miniature transmitters are concealed in a high-quality leather briefcase. The handle of the briefcase is the switch. To activate the transmitter the handle is pushed down. The microphone is hidden behind the briefcase's combination-lock compartment.

Microprocessor Telephone Transmitter

Installed in any telephone set connected to any microprocessor telephone system, it monitors both sides of the conversation without causing electronic interference. When a number has been dialed or when the telephone handset is taken off-hook, the transmitter is automatically activated and continues to operate for six additional seconds after the handset is returned on-hook. The transmitter turns off if there are periods of prolonged silence, and reactivates itself automatically when the conversation resumes. The transmitter can be placed in any part of the telephone set.

Crystal-Controlled Transmitter for Telephones

It automatically transmits both sides of the telephone conversation. It is easy to install either inside the telephone set or along the line. Crystal-controlled frequencies ensure stability of transmission.

Ball-Point Pen Set

Placed on your desk, this set will alert you to the existence of any equipment that may be transmitting your voice to an outside listener. With this unique design, the set can be used in your home, office, or conference room.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Box 2] When Is a Phone Tap Legal?

When it is not authorized by a prior order, it is a crime.

A consultation with Armando Sarmiento Mantilla, National Director of Prosecutor General Offices:

[EL TIEMPO] In Colombia, is telephone tapping a lawful or an unlawful practice?

[Sarmiento Mantilla] We cannot generalize on the lawfulness or unlawfulness of telephone taps. There are lawful ones, meaning those that proceed from a criminal investigation. Those that the judiciary official considers necessary for the investigation of the criminal acts that are the object of the investigation.

[EL TIEMPO] What procedure is followed in lawful wiretaps?

[Sarmiento Mantilla] When the judiciary official has completed the evaluation I have mentioned, he forwards it to the National Directorate of Prosecutor General Offices, requesting authorization, stating reasons therefore, and that its purpose is to obtain judiciary evidence. The Directorate of Prosecuting Attorney Offices evaluates the request and either grants or denies authority to proceed with that wiretap. This is covered in Article 351 of the Code of Penal Procedure. It means that a wiretap that has not been authorized by way of this procedure is illegal.

[EL TIEMPO] Why is one wiretap legal and another not legal?

[Sarmiento Mantilla] Its legality is imparted to it by its purpose and by the official empowered to authorize it. That case is provided for by the rules of procedure. Only the National Director of Prosecutor General Offices can authorize a wiretap, basing that authorization on a prior request for it by the judiciary official concerned. Accompanying that precept is a philosophical premise consisting of the assumption that the official is requesting the authorization for the altruistic purpose of advancing the progress of an investigation, and not with the morbid intent of knowing what his neighbor is saying.

[EL TIEMPO] Does an illegal wiretap incur sanctions?

[Sarmiento Mantilla] Anyone who intercepts a communication illegally commits a crime that is termed illicit interception of communications and that is encompassed by Article 288 of the Penal Code. Investigation of that crime can only be undertaken when instigated by the filing of a lawsuit. It cannot be instituted ex officio by the Office of the Prosecutor General.

[EL TIEMPO] Who brings that suit?

[Sarmiento Mantilla] The person wronged by it. It may also be brought by a person not wronged by it, but this requires ratification by the wronged person. When it affects the public interest, the Attorney General may file the suit.

[EL TIEMPO] Does the interception constitute probative evidence?

[Sarmiento Mantilla] When it is legal, it constitutes evidence, and this is why the law provides that authorization to intercept can only be requested when the interception is for the purpose of obtaining judiciary evidence. When it is not for that purpose, it is a crime and it cannot be admitted as investigative evidence.

[EL TIEMPO] By whom is the wiretapping being done?

[Sarmiento Mantilla] When it is legal, it is done by the state security agencies: the DAS, the Police, among others. When it is illegal, by anyone having the required technology.

[EL TIEMPO] Is a single interception a sufficient basis on which to try a person?

[Sarmiento Mantilla] There is no rule requiring that the interceptions by a judiciary official be four or five or less. A conviction can be obtained with as little as one interception. It will depend on the case. One cannot generalize.

Ecuador

Galo Leoro Addresses United Nations, Comments on Dispute

PY2410030295 Quito Voz de Los Andes in Spanish 2300 GMT 23 Oct 95

[FBIS Translated Text] Addressing the session held at the United Nations on the occasion of its 50th anniversary, Ecuadoran Foreign Minister Galo Leoro said today that Ecuador believes that the United Nations needs to implement important structural changes to be adopted within the framework of the commitments encompassed in the San Francisco Charter.

He added that the mandatory upholding of the UN Charter is the only safeguard small and weak countries can rely on to ensure their own survival.

Galo Leoro said that by fulfilling the objectives established in the UN Charter, the United Nations has achieved important triumphs in its 50 years of existence. He added that the most important of these achievements is having avoided World War III, which would have meant a holocaust for humanity because of the use of nuclear weapons.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Ecuadoran Foreign Minister Galo Leoro also said in New York that it is very difficult for the United Nations to mediate in the Ecuadoran-Peruvian territorial dispute over an unmarked common border in the Amazon region.

Regarding the Ecuadoran-Peruvian territorial dispute, Leoro said that "this issue does not have much impact in the United Nations because of the numerous international issues affecting so many countries, thus making it very difficult for the United Nations to pay attention to our problem, particularly during a meeting of this nature."

Poll: Majority Believe Administration Helps Dahik

PY2410102295 Quito Voz de Los Andes in Spanish 2300 GMT 23 Oct 95

[FBIS Translated Text] According to a recent poll, the majority of Quito citizens believe that President Sixto Duran-Ballen is protecting former Vice President Alberto Dahik, and charge that the administration is responsible for his escape.

According to a poll published today by the newspaper HOY, 83.4 percent of Quito residents believe that Duran-Ballen protected Alberto Dahik by issuing the decree declaring the president the sole custodian of the discretionary funds. The poll was conducted by the Economic Research Institute of the Central University of Ecuador.

Administration Confirms Plebiscite To Be Held 26 Nov

PY2410030095 Quito Voz de Los Andes in Spanish 2300 GMT 23 Oct 95

[FBIS Translated Text] After a meeting held with Carlos Larreategui, public administration secretary general, Camilo Ponce Gongotena, president of the Supreme Electoral Tribunal, said that the administration has confirmed that the plebiscite will be held on 26 November.

[Begin Ponce recording] We are aware that just as he summoned the plebiscite, the president is empowered to suspend it. However, the secretary general has informed me that the president has no intention of suspending it. The plebiscite will be held, therefore, on 26 November.

The Supreme Electoral Tribunal is working hard to this effect. The plebiscite does not entail working only on the day it is held. Work on the plebiscite starts the same day the president summons a plebiscite, as he is empowered to do in compliance with the Constitution. The entire process ends when the vote counting ends and the results are announced.

In view of this, the Supreme Electoral Tribunal is working hard so that Ecuadoreans may vote in complete safety and fully aware of the issues. [end recording]

Ponce Gangotena added that the Finance Ministry has disbursed 15 billion sucres to finance the organization of the plebiscite. He also said that another 10 billion sucres will be disbursed.

Right now, the Supreme Electoral Tribunal is devoted to promoting the plebiscite.

Oil Workers Start Nationwide Strike

PY2310193895 Quito Voz de Los Andes in Spanish 1700 GMT 23 Oct 95

[FBIS Translated Excerpt] The oil workers started a nationwide strike at 0000 today with the stoppage of services in the Ecuadoran Amazon region.

The pumping of oil and distribution of fuel continues normally and this service will, seemingly, not be paralyzed.

The oil workers await with great expectation the meeting with President Sixto Duran-Ballen at 1100 tomorrow, when they will reiterate their demand that the government change its privatization policy.

The oil workers also visited Congress today to ask Congress President Fabian Alarcon to impeach Energy Minister Galo Abril. [passage omitted]

Peru

Fujimori 'Will Not Allow' SL Leader Guzman Retrial

PY2310210995 Lima America Television Network in Spanish 0100 GMT 21 Oct 95

[FBIS Translated Excerpt] President Alberto Fujimori today emphatically stated that he will not accept a judicial branch decision to retry [Shining Path, SL, leader] Abimael Guzman even if it means violating the autonomy of that state branch.

The chief of state said that the determination of the judicial branch may threaten national pacification and security.

Fujimori made this statement after dedicating the 1-millionth telephone line in Carabayllo, from where he spoke by phone with Spanish King Juan Carlos.

[Begin Fujimori recording] Of course I disagree and I am sure that no Peruvian citizen will agree with this decision because the Supreme Court previously acquitted Abimael Guzman due to lack of evidence. Therefore, although the decision rests with the Supreme

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Court, national security prevails in this case. Because of this, the executive branch will override measures of this nature, even if they are taken by the Supreme Court. I will not allow Abimael Guzman, by any means, to be retried either by the Superior or Supreme Court nor at the Naval Prison in Callao. This is a firm government decision. Abimael Guzman has already been tried, sentenced, and will continue to serve his life imprisonment. I emphatically reject and will override the Supreme Court resolution to retry him on the grounds that he may be acquitted. [end recording]

The president said that although it may be considered interference in the work of the judicial branch, national security comes first. Fujimori said we must eradicate terrorism which, until not long ago, plagued the country. In this sense, the judicial branch is not cooperating.

The president added that if this state branch insists, it will threaten the pacification of the country.

Before making these statements, the chief of state dedicated the 1-millionth phone line in Carabayllo District, from where he spoke to Spanish King Juan Carlos. [passage omitted]

This afternoon Supreme Court President Moses Pantoja said that no law suits will be pressed against Abimael Guzman in a civil court because they were all settled prior his arrest in 1993. Pantoja asserted that Guzman will continue to serve life imprisonment at the Naval base in Callao for subversive activities and for betraying the fatherland. These comments were made after a 40-minute meeting with Congress Vice Chairman Victor Joy Way at the Congress building.

Daily Comments on Declaration Issued in Brasilia

PY2310203095 Lima EL COMERCIO in Spanish 8 Oct 95 p A2

[Editorial: "The Deputy Foreign Ministers' Meeting in Brasilia"]

[FBIS Translated Text] A meeting of high-ranking representatives of the guarantor countries of the Peace, Friendship, and Borders Protocol, signed in 1942 in Rio de Janeiro, with Peruvian Deputy Foreign Minister Jorge Voto Bernales and Ecuadoran Deputy Foreign Minister Marcelo Fernandez de Cordova has just ended in Brasilia.

The purpose of the meeting was to access the fulfillment of the commitments undertaken within the framework of the Itamaraty Peace Declaration signed on 17 February.

A declaration, signed by the guarantor countries' representatives Julio Cesar Freyre (Argentina), Sebastiao Do Rego Barros (Brazil), Fabio Vio Ugarte (Chile), and Luigi Einaudi (the United States) and the aforementioned deputy foreign ministers was issued at the end of the meeting.

The document starts by voicing satisfaction over the "progress made in the implementation of the peace-seeking process and the gradual restoration of a climate of normalcy and harmony in Ecuadoran-Peruvian relations."

It also mentions the acknowledgement of the governments of these two countries for the "high degree of professionalism and efficiency with which the MOMEP-II [Ecuador-Peru Military Observers Mission] carries out its duties, strictly abiding by the Procedures Manual."

The guarantor countries also express their satisfaction over the positive results of the Third Meeting of the Higher Consultation Committee and the agreements reached, noting the progressive integration of the military observers of the two parties, the separation of forces, and the reduction of weapons just completed in the border areas beyond the demilitarized zone, and for the progress made in bilateral relations, as demonstrated by President Alberto Fujimori's visit to Quito during the Rio Group summit, the reopening of the border, and the announcement of the Ecuadoran foreign minister's upcoming visit to Lima.

It reiterates the mutual commitment to avoiding new armed clashes and the importance of the MOMEP-II's permanence for the consolidation of the peace process.

The document also notes the convenience of parallel and joint meetings at the diplomatic and military levels and the need to avoid an arms race. It also says that "the necessary political will for a constructive dialogue between the two parties" exists within that climate of relaxation.

But, aside from these expressions of acknowledgment and satisfaction, two operative aspects deserve to be mentioned.

One is the report on the two governments' decision to restore the Bilateral Diplomatic Consultation Mechanism, at a deputy foreign ministers level, which had been created in October 1989 and been shelved, as well as the beginning of talks next January—between foreign ministers—with the purpose of establishing procedures to tackle the issues contained in point No. 6 of the Itamaraty Declaration.

The other is the implementation of a series of confidence measures included in the so-called Security Manual.

Through this agreement, which will be implemented shortly, "the continuity of direct communications at the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

level of the border zone commands is established and humanitarian actions to recover the remains of military officers still in the demilitarized zone are coordinated."

As can be noticed, the document remains essentially loyal to its nature as a declaration; however, in addition to the operative aspects, the important thing is that it establishes the framework and procedures for future contacts between the parties and the guarantor countries.

From this viewpoint, it undoubtedly represents another step towards peace between the two nations, greatly desired by the peoples of the two countries and a necessary requirement for their future progress.

Editorial Views Li Peng's Visit, Bilateral Trade

PY2310194395 Lima LA REPUBLICA in Spanish 11 Oct 95 p 18

[Editorial: "Is China Getting Closer?"]

[FBIS Translated Text] The visit by PRC Premier Li Peng to our country is filled with noteworthy connotations. Above all, it is significant that our country was included in the American tour of the leader of the most heavily populated country in the world. Only Mexico and Canada were also included as continental stopovers by this illustrious visitor.

This follows, of course, the fact that relations between our country and the colossal Asian country are at a peak. We must not forget that President Fujimori visited China twice and did so once again when, as the sole chief of state, he addressed the women's conference in Beijing.

The presence of Mister Li Peng follows repeated invitations. Of course, it is not just that. The fact is that during the current decade, trade between Peru and the colossal Asian country has multiplied as never before, to such a point that for the first time it could surpass the $500-million barrier.

This trade is by far favorable to Peru which sells fishmeal, minerals, and raw material to China, while we import medicines and manufactured goods. We should not forget that the Chinese Government has directly participated in the privatization process. One of its companies, Shougan, purchased Hierroperu, which since then has increased its productivity 100 times, allowing it to export iron pellets [previous word given in English] to China. As a secondary function, it will supply our only steel plant (which, it is said, Chinese businessmen also want to buy).

This intensification of trade surely justifies the great warm welcome by the government to the visiting delegation, which comprises a large number of businessmen and personalities who have contributed with these gestures by signing important trade agreements, and opened a credit in favor of our country of up to $150 million to finance up to 85 percent of each contract for the purchase of goods and services in China.

This rapprochement between our two countries leads us to wonder about the Chinese development model which seems to have seduced some of our government leaders. It is no secret that since the theories imposed by the old leader Deng Xiao Ping fully overcame the old orthodox Maoist beliefs, China adopted a capitalist restoration model which combines extreme economic liberalism with an unchanged toughness concerning matters of political freedom.

This model has yielded good results in the economic area to the point that we stand before the only country which at world level has managed to maintain a growth rate of over 10 percent for several consecutive years. But this opening of the market has by no means increased political freedom, to the point that in China there is no emergence of a pluralism of parties or even the proposal of exceptions to a rigid planning which encompasses multiple aspects of daily life and which are still impossible to question. Dissidents live a difficult life in China.

It is true that many western governments usually overlook Chinese authoritarianism. After all, they say, it is a country with 1.2 billion inhabitants which has succeeded in eradicating extreme poverty and which, without an authoritarian government to control a demographic explosion and other aspects of daily life, could hardly be viable.

This problem emerges cyclically in the world. Yielding in certain aspects of the democratic system—generally in political freedom—in exchange of future wellbeing has been a continuous temptation into which many authoritarian regimes of the century have not hesitated in sacrificing entire generations in their quest for what was finally revealed as a resistible utopia.

China, impenetrable in many aspects, has something in its favor. Unlike the Maoism of the 1960's and 1970's, it does not seek to export its model. Neither does it rule out the possibility that, in the not-too-distant future, some essential democratic freedoms might prevail.

The problem, then, does not lie in a supposed exporting of the model but on those who consider it exportable, and who see the panacea for certain poor countries in a savage and untamed capitalism that might reduce the framework of liberties. As Alain Touraine put it yesterday on our opinion page, there are examples of emerging development in countries like "Singapore, Malaysia, and especially Indonesia, (which) expressed

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

their desire to establish a type of democracy which is completely different from what the western world understands by it."

This "temptation of the east," which seeks to compare developing Latin American nations with the emerging nations of the other side of the Pacific, must be rejected. But this does not prevent us from increasing our commercial relations or our ties of association.

This could be achieved by placing ahead of anything else our private cultural, political, and social characteristics which could be sacrificed because of the seduction of a "market absolutism" that might forget the redistribution mechanisms and the objectives of social equality.

While this is so, it is good to welcome Mister Li Peng and his retinue. Increasing bilateral trade will benefit the Peruvian people much more than, let us say, adopting its rigid family planning of one child per family. In sum, this rapprochement must take into account the fact that the Chinese model is not transplantable to Peru without adopting certain mechanisms.

Uruguay

Vice President Addresses UN Anniversary Session

PY2410030895 Buenos Aires TELAM in Spanish 1512 GMT 22 Oct 95

[FBIS Translated Text] United Nations, 22 Oct (TELAM-SNI)—Uruguayan Vice President Hugo Batalla noted today that, even if the nations manage to silence weapons, they will not be able to resolve the most serious problem of humanity: hunger and poverty.

In a speech delivered at the UN General Assembly's special session to mark the UN 50th anniversary, Batalla indicated: "Hunger, misery, and inhuman standards of living" have claimed "more lives than all the wars together."

In addition, as a result of the current economic conditions, unfair trade relations, and the overwhelming burden of the foreign debt, millions and millions of children are now starving, Batalla explained.

On the other hand, there are hundreds of millions of square kilometers of fertile land that has not been farmed or been insufficiently farmed, the Uruguayan vice president added.

Batalla emphasized that liberty and democracy are vulnerable and their stability will be constantly jeopardized unless countries achieve "now" an "appropriate and fair" economic and social environment.

Uruguay hopes that the United Nations, especially its international cooperation organizations, will enforce the goals that year after year are established in its resolutions, he explained.

The vice president emphasized that the continuous expressions of acute underdevelopment, in addition to producing degrading standards of living for millions of human beings, which the moral conscience of humanity cannot tolerate, represents a potential threat to security.

Batalla asked everyone to take action so that human beings can lead "an honorable life, enjoying all the means that civilization permits them to have."

Cuba Agrees To Repay $37 Million Debt

PY2310204595 Montevideo LA MANANA in Spanish 16 Oct 95 p 3

[FBIS Translated Excerpt] [President Julio Maria] Sanguinetti has attained a double international objective: He proved that the Americas are important for Uruguay while at the same time clarifying that, for his administration, state policies override party interests. Cuba will repay a $37-million debt that has been outstanding since 1987 by dredging the Uruguay River—a natural border between Mercosur [Common Market of the South] members—and by providing medicines to Uruguay. [passage omitted]

Undoubtedly, the $37 million debt Cuba contracted with Uruguay during Sanguinetti's first presidency was the subject to which the Cuban and Uruguayan presidents gave their fullest attention.

It was leaked that Cuba's settling of its debt with the Uruguayan Central Bank may be a door to the democratization of the island—Castro's regime will dredge the Uruguay River, and supply various medicines and state-of-the-art technology in health care.

Negotiations between Castro and Sanguinetti prior to the momentous meeting in Montevideo some days ago can be traced back more than two and a half months. Talk of Castro's trip to Uruguay, his agenda, security, and formal matters involving the matters to be analyzed were kept confidential in order to unequivocally guarantee the objective of Cuba's integration in the region.

In sum, within the highest political circles Castro's visit to Uruguay was considered a prelude to an opening process on the island that will begin with an economic opening and then spread to the social and political areas. [passage omitted]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Leftist Leader's Concerns on 'Injustices' in Cuba Noted

PY2310222895 Montevideo EL OBSERVADOR in Spanish 16 Oct 95 p 5

[FBIS Translated Text] Fidel Castro's stay in Uruguay, which lasted for a day and a half, served to confirm that he is one of the main points of reference for leftist groups that make up the Broad Front (FA), even though he was also criticized by Senator Rafael Michelini, leader of the New Space (NE).

The fascination of FA militants with the figure of the Cuban revolutionary leader had its climax on the esplanade of Montevideo's Municipal Building. Here Castro, feeling he was "the host" before more than 100 guests—most of them members of the municipal body—gave the most orthodox speech of his entire visit.

The Cuban leader had a very busy agenda that included a meeting with the FA leadership and a visit to FA President Retired General Liber Seregni at his home. Seregni could not attend the leadership meeting due to health reasons.

The Left Is Not Frank

Castro, however, had to face the criticism made by Rafael Michelini, the leader of the left outside of the FA. Michelini pointed out to Castro his "concern" over the situation with regard to "freedoms" on the island.

Michelini made this comment during a short meeting apart with Castro that took place when the Cuban leader visited the Congress. Michelini told Castro that, in his opinion, "the Latin American left, including the Uruguayan left, never talked to Cubans frankly" about the lack of "freedoms" and the existence of "injustices" on the island.

Castro told Michelini that "the Cuban people are very libertarian," adding that "the blockade" has made "things" in Cuba "very difficult. We speak frankly," Castro said.

Michelini also said that "it is very good" Uruguay does not have reelections; "otherwise, presidents would like to stay for 60 years" in the presidential seat. Castro agreed that the restriction "was very good," but added that some people "are forced by circumstances."

Castro visited the Senate auditorium and sat in Michelini's chair. When Michelini was introduced to him, he identified him as "the son of the martyr." Before departing, Castro again approached Michelini and invited him to visit the island.

"You sat in my seat. I will have to sit in yours," Michelini joked. "But I do not want the seat. It is full of problems," Castro replied, showing his sense of humor and irony.

You Should Have Won the Election

Castro also showed his sense of humor during his meeting with the FA leadership. He looked at Tabare Vazquez and said: "You should have won. Had you won the election, you would have invited me and the protocol would have been different."

The former presidential candidate for the FA answered in the name of his fellow party members with a short message of "friendship" and "welcome." Castro, however, practically monopolized all talks.

After the meeting at his home, Seregni confirmed that Castro "was tremendously moved by our people's reception and particularly impressed with the ceremony at the municipal esplanade."

The Cuban president was also interested in Uruguayan universities. "How are they doing?" Castro asked Rector Jorge Brovetto during the ceremony at City Hall.

"Right now we are fighting over the budget," Brovetto answered. Castro then told him not to give up, and to try to find arguments to convince legislators of the importance of his demands.

Venezuela

President on UN Role, 'Heavy Burden' of Foreign Debt

PA2310171095 Caracas Venezolana de Television Network in Spanish 0000 GMT 23 Oct 95

[Interview with President Rafael Caldera Rodriguez by Yauter Martinez in New York—live via satellite]

[FBIS Translated Text] [Martinez] Mr. President, 180 delegations from the whole world are present to celebrate the 50th anniversary of the United Nations. Venezuela was a signatory of the original charter. You represent Venezuela as its president for a second time. What is your opinion on the UN role during this period?

[President Rafael Caldera] It is a very significant event. Most important of all is that during the 50 years that have elapsed, the fear of a Third World War has faded away. We should recall that at the end of the First World War, the basis for lasting peace was established, various decisions were made, and many hopes were nourished. Twenty years later, a harsher and more terrible Second World War began. The previous war paled in contrast with the Second World War, at the end of which all mankind was anguished by the possibility of a Third World War.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Of course, the weapons man has built for his own destruction have been a decisive factor, and the resulting fear was also very significant. Nevertheless, the role played by the United Nations has been unquestionably positive, because it has been a forum that gives states from every part of the world, of all sizes, every ethnic group, ideology, and continent, the opportunity to express their opinion, discuss their problems, and state their wishes.

Moreover, there are various initiatives on not only political issues but also on social and economic issues. Although these are still mere efforts on a path we must follow, they point out to the responsibility of the United Nations for the upcoming century. Of course, we are all obligated to reaffirm our solidarity with this organization that represents mankind and plays a basic role despite what is being said.

[Martinez] You pointed out to the dangers and frustration regarding peace after the First World War. The Versailles Treaty along with its huge economic burden on those defeated is considered as the trigger of the Second World War. As developing countries, can we say then that our current foreign debt is our Versailles Treaty?

[Caldera] Foreign debt is a tremendous burden for developing countries. To acknowledge this debt implies taking measures to give indebted countries the possibility to carry out their own development programs without neglecting or disregarding their obligations, and to establish how to meet these obligations. There are some countries that have taken measures like, for instance, condoning the debt owed by the poorest countries. However, besides the richest and poorest countries, there are various countries like ours that are having great difficulties settling their accounts. Unquestionably, foreign debt is a very heavy burden.

[Martinez] Is international [word indistinct] viable within the UN framework?

[Caldera] It is being mentioned. There is an understanding, but we still need to insist, because at the end, achievements within this organization involve a lot of endurance and firmness. Particularly those of us having the same problems are joining forces, concerns, and voices to achieve recognition.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.